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# CALENDAR

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Finance Committee  
Board of Supervisors  
City and County of San Francisco

MAY 02 1997

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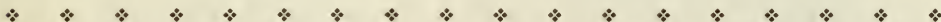
## REGULAR MEETING

WEDNESDAY, MAY 07, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



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- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

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FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, MAY 7, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 93-97-11. [MOU, Building Inspectors 6331/6333] Ordinance implementing the provisions of a Memorandum of Understanding between the Building Inspectors Association and the City and County of San Francisco for the period July 1, 1997 through June 30, 2001. (Department of Human Resources)  
(Continued from 4/16/97.)

ACTION:

2. File 93-97-12. [MOU, Building Inspectors 6334] Ordinance implementing the provisions of a Memorandum of Understanding between the Building Inspectors Association and the City and County of San Francisco for 6334 Chief Building Inspectors for the period July 1, 1997 through June 30, 2001. (Department of Human Resources)  
(Continued from 4/16/97.)

ACTION:

3. File 101-96-65.1. [Appropriation, DPH-Mental Health] Ordinance appropriating \$591,923, Department of Public Health/Community Substance Abuse Service Division, for contractual services (ensuring that the contracts negotiated pursuant to the subject supplemental appropriation do not contain increased rates per unit of service for providers already under contract with CSAS.). (Supervisor Leal)  
(Continued from 4/30/97.)

ACTION:

4. File 101-94-34.2. [Reserved Funds, Superior/Municipal Courts] Hearing to consider release of reserved funds, Superior and Municipal Courts (Courthouse Construction Funds), in the amount of \$926,334 to fund contractual services of Resource and Design, Inc. to install furniture, fixtures, and equipment for the new Civic Center Courthouse, and professional consulting services of Luster Construction/Johns/Rife Group related to the relocation of tenants at the temporary courthouse to the new Courthouse; companion to File 101-95-69.2. (Superior and Municipal Courts)

ACTION:

5. File 101-95-69.2. [Reserved Funds, Superior/Municipal Courts] Hearing to consider release of reserved funds, Superior Court, (Courts' Special Revenue Fund), in the amount of \$2,071,175 to fund contractual services of Resource and Design, Inc. to install furniture, fixtures, and equipment for the new Civic Center Courthouse, and professional consulting services of Luster Construction/Johns/Rife Group related to the relocation of tenants at the temporary courthouse to the new Courthouse; companion to File 101-94-34.2. (Superior and Municipal Courts)

ACTION:

6. File 25-97-2. [Prop J Contract, Legal Services, District Attorney] Resolution concurring with the Controller's certification that legal process server services can be practically performed for the District Attorney, Family Support Bureau, by a private contractor for a lower cost than similar services performed by City and County employees. (District Attorney)

ACTION:

7. File 25-97-3. [Prop J Contract, Jail Food Services] Resolution approving the Controller's certification that county jail food service management operations for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1997, than if work were performed by City and County employees. (Sheriff)

ACTION:

8. File 25-97-4. [Prop J Contract, Eviction Assistance Program] Resolution approving the Controller's certification that the eviction assistance program for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1997, than if work were performed by City and County employees. (Sheriff)

ACTION:

9. File 25-97-5. [Prop J Contract, Own Recognizance Project] Resolution approving the Controller's certification that the San Francisco "O.R." Project for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1997, than if work were performed by City and County employees. (Sheriff)

ACTION:

10. File 25-97-6. [Prop J Contract, Pre-Trial Diversion Program] Resolution approving the Controller's certification that the pretrial diversion program for the City and County of San Francisco can practically be performed by private contractor at a lower cost for the year commencing July 1, 1997, than if work were performed by City and County employees. (Sheriff)

ACTION:

11. File 172-97-20. [Agreement, Sheriff – Alert Network, Inc.] Resolution authorizing the Sheriff's Department to enter into an agreement with Community Alert Network, Inc. for an automated telephone notification system, which agreement provides for mutual indemnification from claims or other damages which arise as a result of performance under said agreement. (Office of the Sheriff)

ACTION:

12. File 172-97-23. City Hall Improvement Project Funding] Ordinance authorizing the Department of Public Works to contract for Proposition A – City Hall Improvement Bond Project work by modifying the contract of the general contractor on the City Hall Seismic Project. (Department of Public Works)

ACTION:

13. File 191-97-3. [Electric System Municipalization] Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission". (Supervisor Bierman)

ACTION:

#### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 97-97-20, General Assistance Grants, (Mayor), 30 day Rule expires 5/8/97.

File No. 69-97-1, Legislative Analysts, Board of Supervisors, (Supervisor Kaufman), 30 day Rule expires 5/8/97.

File No. 97-97-24, Fire Department Response Fees (Draft Ordinance), (Mayor), 30 day Rule expires 5/29/97.

File No. 97-97-25, Bonding and Financial Assistance Program, Contractor, (Supervisor Leal), 30 day Rule expires 5/29/97.

Watch future calendars for scheduling of these matters.



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FINANCE COMMITTEE  
SAN FRANCISCO BOARD OF SUPERVISORS  
401 VAN NESS AVENUE, ROOM 308  
VETERANS BUILDING  
SAN FRANCISCO, CA 94102

HEARING NOTICE



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7/97

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

May 2, 1997

**TO:** Finance Committee

**FROM:** Budget Analyst *Recommendations for meeting of*

DOCUMENTS DEPT.

**SUBJECT:** May 7, 1997 Finance Committee Meeting

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Items 1 and 2 - Files 93-97-11 and 93-97-12

**Note:** These items were continued by the Finance Committee at its meeting of April 16, 1997.

**Department:** Human Resources Department

**Item:** **Item 1, File 93-97-11:** Ordinance implementing the provisions of a Memorandum of Understanding between the Building Inspectors Association and the City and County of San Francisco for Class 6331 Building Inspectors and Class 6333 Senior Building Inspectors for the period July 1, 1997 through June 30, 2001.

**Item 2, File 93-97-12:** Ordinance implementing the provisions of a Memorandum of Understanding between the Building Inspectors Association and the City and County of San Francisco for 6334 Chief Building Inspectors for the period July 1, 1997 through June 30, 2001, a four year period.

**Description:** The proposed ordinances would ratify and implement the provisions of the Memoranda of Understanding (MOUs) between the Building Inspectors Association and the City, covering Class 6331 Building Inspectors and Class 6333

Memo to Finance Committee  
Mat 7, 1997 Finance Committee Meeting

Senior Building Inspectors (File 93-97-11), and Class 6334 Chief Building Inspectors (File 93-97-12), covering a total of 61 employees. The term of the four-year MOUs is July 1, 1997 through June 30, 2001.

The subject MOUs were among a group of 20 MOUs that were negotiated as a package by the Human Resources Department (HRD). The unions that negotiated the 20 MOUs are known as the "Crafts Coalition." According to Ms. Alice Villagomez of the HRD, all 20 MOUs contain essentially the same new provisions, which are described in this report. The Board of Supervisors has approved 18 of the Crafts Coalition MOUs, but the Finance Committee continued consideration of the subject two Building Inspectors Association MOUs, pending submission, to the Committee and the Building Inspectors Association, of the results of the wage survey conducted by the HRD for Building Inspector positions. (See Comment No. 1.) A copy of the wage survey is attached to this report.

The following major provisions are included in all of the Crafts Coalition MOUs, including the subject Building Inspector Association MOUs:

Wage Increases

Mr. Geoffrey Rothman of the HRD states that the subject employees received a 2 percent wage increase in FY 1995-96, and another 2 percent wage increase in FY 1996-97. Mr. Rothman advises that the Building Inspector classifications and the Ironworkers have been the only members of the Crafts Coalition to receive wage increases since 1992. Under the proposed MOUs, the subject employees would receive wage increases two times per year, over the four year term of the MOUs as follows:

<u>Date</u>	<u>Wage Increase</u>
July 1, 1997	2.0%
December 27, 1997	1.5%
July 1, 1998	2.0%
December 26, 1998	1.5%
July 1, 1999	2.0%
December 25, 1999	1.5%
July 1, 2000	2.0%
January 6, 2001	1.5%

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



### Retirement Benefits

According to Ms. Villagomez, the existing MOUs, as amended during FY 1995-96, already provide for full City pickup of retirement contributions. The proposed MOUs would not change the retirement benefits. However, the MOUs state that the agreements can be reopened if the City Charter is amended to enable the City and the unions to arbitrate retirement benefits.

### Health Benefits

The proposed MOUs would not change the existing health benefits provided to the subject union employees. However, the proposed MOUs state that if the City reaches agreements with other unions representing a total of at least half of all City employees to increase the City's pickup of the cost of health coverage for employees, then such increase would be extended to the subject MOUs contained in this report. Ms. Villagomez advises that the City's MOUs with the Police Officers and the Firefighters already provide full City payment of employees' health benefit costs. Furthermore, Ms. Villagomez states that the HRD is currently negotiating on this matter with the Service Employees International Union (SEIU) and Local 21, although no agreements have been finalized. Therefore, such increased City pickup of health benefits may be added to the subject MOUs at some time in the future. (See Comment No. 2.)

### Benefits for Employees on Unpaid Status

The proposed MOUs contain a new clause that would terminate City payment of employee health and dental payments after an employee has been on unpaid leave for 12 continuous weeks.

### Incorporation of Past Practices into MOUs

The proposed MOUs contain a clause (known as the "zipper clause," which provides that the City and the subject unions will meet, subsequent to approval of the MOUs, to enumerate all working conditions and work rules that have been in practice for at least one year, and are appropriate for inclusion in the MOUs. The enumerated working conditions and work rules will be submitted to the Board of Supervisors for approval and will be incorporated as an

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

attachment to the MOUs. Any past practices which are not specifically enumerated and included in the MOUs will no longer be enforceable.

The City and the unions would be required to submit any disputes regarding past practices to binding arbitration by January 1, 1998, unless either party requests an extension of up to three months. Although the MOUs contain this deadline for completion of negotiations between the unions and the City regarding past practices and submission of any remaining disputes to arbitration, the MOUs do not contain a deadline for submission of the resulting enumeration of working conditions and work rules to the Board of Supervisors for approval.

**Fiscal Impact:**

The increased annual salary and fringe benefit costs above Fiscal Year 1996-97 to the City, as estimated by the Controller's Office for implementation of the Building Inspector's Association MOUs, are summarized as follows:

	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-2000</u>	<u>FY 2000-01</u>
Controller's Estimate of Increased Cost Due to Salary Increases for Subject MOUs	\$135,944	\$178,539	\$184,028	\$190,468
Annualized Percentage of Salary and Fringe Increases	3.2 percent	4.1 percent	4.1 percent	3.9 percent

The total estimated cumulative costs for Fiscal Year 1997-98 through Fiscal Year 2000-01 would be \$1,637,917.

**Comments:**

1. The wage survey data prepared by the HRD and attached to this report shows that Class 6331 Building Inspectors in San Francisco currently earn 27.7 percent more, at the top step, than the average top step salary of comparable positions at the nine California public agencies surveyed, and 32.2 percent more than the median of the comparable salaries.

Mr. Rothman states that the HRD is recommending approval of the subject MOUs, despite the relatively high wages already received by Building Inspectors, and despite the fact that Building Inspectors, unlike most Crafts Coalition members, received wage increases in FY 1995-96 and FY 1996-97, because:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- The City bargained in good faith with the Building Inspectors Association as part of the Crafts Coalition.
- Whereas most craft personnel are hired at the fifth, or top step, Building Inspectors are hired at the first step.
- The City hires many of its Building Inspectors from the ranks of Carpenters employed by the City. Existing wage differentials between supervisory Carpenters and Building Inspectors need to be preserved, according to Mr. Rothman, in order to preserve the City's ability to recruit Building Inspectors internally.
- The HRD is attempting to achieve wage parity among all types of Inspectors employed by the City (including Building Inspectors, Housing Inspectors, Plumbing Inspectors, etc.). Mr. Rothman states that the proposed MOUs would further this goal.

2. The Budget Analyst estimates that, if full City pickup of health premiums for the union employees is added to the subject MOUs at a later date (see Health Benefits section previously described), the additional annual increased cost to the City related to these subject MOUs will total up to \$15,523. This estimate is based on the difference between the City (employer) payment for employee health premiums that will be in effect starting July 1, 1997 according to Charter provisions, and the monthly premium costs for FY 1997-98 for the City Health Plan, which has the highest premium of the health plans available to the subject employees. Employees currently pay this difference, if any exists for the City Health Plan. This differential, which is \$9.75 per pay period according to Ms. Villagomez, was applied to the 61 employees covered by the subject Building Inspector Association MOUs.

**Recommendation:** Approval of the proposed ordinances is a policy decision for the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Attachment

Attachment

2/2

## SALARY DATA

CITY AND COUNTY OF SAN FRANCISCO

FEBRUARY 1997

## BUILDING INSPECTOR

PUBLIC AGENCIES	JOB TITLE	# OF POS.	MINIMUM	MAXIMUM
City of San Jose	Building Inspector - Combined	47	\$4,287	\$5,211
County of Santa Clara	Building Inspector	3	\$4,912	\$4,912
County of Marin	Building Inspector II	6	\$4,427	\$4,836
County of San Mateo	Building Inspector II	N/A	\$3,970	\$4,438
County of Contra Costa	Building Inspector II	N/A	\$3,858	\$4,253
City of Oakland	Building Inspector	0	\$3,456	\$4,245
City of Los Angeles	Building Inspector	91	\$3,398	\$4,221
County of Alameda	Building Inspector II	10	\$3,893	\$4,070
County of San Diego	Building Inspector II	N/A	\$2,846	\$3,458
City & County of San Francisco	6331 - Building Inspector	48	\$4,626	\$5,624
MEDIAN OF THE MAXIMUM RATES =				\$4,253
AVERAGE OF THE MAXIMUM RATES =				\$4,405
I.Q. RANGE OF THE MAXIMUM RATES =			\$4,183 -	\$4,855
CITY AND COUNTY OF SAN FRANCISCO COMPARED TO MEDIAN =				32.2%
CITY AND COUNTY OF SAN FRANCISCO COMPARED TO AVERAGE =				27.7%
CITY AND COUNTY OF SAN FRANCISCO COMPARED TO UPPER QUARTILE =				15.8%

Item 3 - File 101-96-65.1

**Note:** This item was severed and continued at the Finance Committee Meeting of April 30, 1997.

<b>Department:</b>	Community Substance Abuse Services Division (CSAS) Department of Public Health(DPH)	
<b>Item:</b>	Ordinance appropriating \$591,923 to fund various substance abuse services.	
<b>Amount:</b>	\$591,923	
<b>Sources of Funds:</b>	General Fund Reserve:	\$130,385
	Short-Doyle Medi-Cal Reimbursement:	230,769
	Federal Substance Abuse and Mental Health Services Administration Block Grant HIV Set-Aside	<u>230,769</u>
	Total	\$591,923

**Description:** On November 25, 1996, the Board of Supervisors approved a resolution endorsing the goal of substance abuse treatment on demand for indigent San Franciscans, and urging the Mayor, the Health Commission and the Director of Public Health to provide full funding in the City's FY 1997-98 budget for substance abuse treatment on demand (Resolution 1055-96, File 30-96-20).

As of the writing of this report, a supplemental appropriation in the amount of \$1,078,077 to replace expired Federal grant funds and to initiate the expansion of treatment programs during FY 1996-97 has been recommended by the Finance Committee to the Board of Supervisors for approval (File 101-96-65). That supplemental appropriation request originally totaled \$1,670,000. Because a later start than originally anticipated had reduced FY 1996-97 funding needs, the CSAS and the Budget Analyst recommended reducing the supplemental appropriation by \$591,923, to \$1,078,077. That amount of \$591,923 is now the subject of this report. The subject supplemental appropriation would authorize expenditure of this \$591,923 to fund various substance abuse services, as follows:



**I. Programs to be Funded**  
**by the General Fund**

**\$130,385**

- **Interim Services for Women and Families  
Residing in the Tenderloin District** **\$15,000**

Mr. James Stillwell of the CSAS states that the proposed FY 1997-98 CSAS budget includes funding to establish a 24-hour outpatient drop-in center for women with substance abuse problems and their families in the Tenderloin District. Mr. Stillwell advises that the CSAS proposes to use a total of \$15,000 over the next five months (May through September) to provide interim, temporary services for women with substance abuse problems and their families who live in the Tenderloin District prior to establishment of the drop-in center.

Mr. Stillwell states that a task force established by the CSAS, composed of housing and homeless services providers and providers of substance abuse and other services in the Tenderloin, has been meeting for the past two months to develop a plan for the drop-in center that will be proposed in the CSAS FY 1997-98 budget. The CSAS plans to select a provider to administer this center through a competitive Request for Proposal (RFP) process. According to Mr. Stillwell, the CSAS will meet with this task force after this report has been issued, but prior to the May 7, 1997 meeting of the Finance Committee, to develop a plan for the provision of interim, temporary services to women with substance abuse problems and their families who reside in the Tenderloin District. Mr. Stillwell advises that the CSAS wishes to provide such interim services without prejudicing the eventual RFP process for the drop-in center. Mr. Stillwell further states that, as of the writing of this report, the CSAS believes that the interim services can be delivered in the Tenderloin District, although no site has been confirmed.

As of the writing of this report, the CSAS also did not have data on the number of persons to be served over the next five months with the \$15,000 that is requested in this supplemental appropriation.

• **Services for Gay Men, Including  
Gay Men of Color, Who Use  
Methamphetamines**

**\$115,385**

The CSAS proposes to expend \$115,385 over the next five months, from May through September, to select an existing contract agency, which would serve as the lead agency for a collaboration of service providers, as yet to be determined, to provide outreach, harm reduction and direct client services to gay men, including gay men of color, who use methamphetamines. Mr. Stillwell states that several current providers are developing a specific collaborative proposal for presentation to the Finance Committee at its meeting of May 7, 1997.

As with the Tenderloin District services for women and their families described above, Mr. Stillwell reports that the proposed CSAS FY 1997-98 budget already includes a proposal to fund substance abuse services for gay men who use amphetamines. The CSAS would select providers for such ongoing services through a competitive RFP process. However, Mr. Stillwell states that, because of the urgency of the situation, the CSAS proposes to use existing providers on an interim basis. The CSAS was unable to provide data on the number of persons who would be served with the proposed \$115,385.

**II. Programs to be Funded by Short Doyle**

**Medi-Cal Reimbursement**

**\$230,769**

The prior supplemental appropriation (File 101-96-65) originally would have increased the DPH's expenditure authority of State Short Doyle (mental health) Medi-Cal funds by \$500,000. This amount was reduced by \$230,769 because of the later than expected start date for the two programs designated to provide dual-diagnosis (mental health and substance abuse) services, Walden House and Iris Center.

Mr. Stillwell states that the CSAS can only obtain reimbursement for the subject provider services, which have been certified by the State. Because of the later than anticipated start date, Mr. Still advises that the CSAS will not incur the subject expenses of \$230,769, and would be unable to obtain State Short Doyle Medi-Cal revenues for expenses that have not been incurred. According to Mr. Stillwell, because such revenues are provided on a reimbursement basis, they cannot be carried forward (see next expenditure item in this report). Therefore, the Budget

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Analyst recommends that the subject supplemental appropriation be reduced by \$230,769.

**III. Programs to be Funded by Federal  
Block Grant Funds \$230,769**

The prior supplemental appropriation (File 101-96-65) originally would have authorized the CSAS to accept an increase of \$500,000 in Federal Department of Human Services, Substance Abuse and Mental Health Services Administration Block Grant HIV Set-Aside funds for the provision of HIV medical services at the San Francisco General Hospital (SFGH) Department of Substance Abuse Medicine. Because of the later than anticipated start date, the prior supplemental appropriation authorized the CSAS to accept an increase of \$269,231, resulting in a reduction of \$230,769.

Mr. Stillwell states that the subject funds can only be used to provide HIV medical services. He further advises that the SFGH would be unable to expend the subject funds during the balance of FY 1996-97 and that no details are available to document how the SFGH alone, or the SFGH with another provider, would utilize the subject funds. However, Mr. Stillwell proposes that the subject funds be appropriated at this time, with the balance remaining at the end of FY 1996-97 to be carried forward to FY 1997-98. Unlike the Short Doyle Medi-Cal revenues, Mr. Stillwell advises that the subject Federal Block Grant funds can be carried forward.

According to Mr. Stillwell, the proposed FY 1997-98 CSAS budget already assumes that an additional \$500,000 over current budgeted expenditure levels will be available to the SFGH for provision of HIV medical services to clients receiving substance abuse treatment. Therefore, if the subject supplemental appropriation is approved, an additional \$730,769 (\$500,000 plus \$230,769) would be available in FY 1997-98 for provision of such services. As of the writing of this report, the CSAS could not verify that the SFGH Department of Substance Abuse Medicine would be able to expand its capacity to effectively expend this full additional amount of \$730,769. However, Mr. Stillwell states that, if the SFGH is unable to adequately expand capacity to effectively utilize the available funds, the CSAS would develop a second provider to deliver similar services utilizing a portion of the funds.



**Comments:**

1. Because the CSAS (1) has not yet selected providers to deliver the interim services for women and families residing in the Tenderloin District, or the services for gay men who use methamphetamines; (2) has not specifically defined the services to be provided to women and families residing in the Tenderloin District or to gay men who use methamphetamines; and (3) has not had the time to determine the number of persons to be served by either interim program, the subject General Fund monies, totaling \$130,385, should be reserved pending provision of the above-mentioned information to the Finance Committee.

2. As stated earlier, the CSAS would be unable to obtain Short Doyle Medi-Cal funds, which are issued on a reimbursement basis to certified providers, for expenses that have not been incurred. Such funds cannot be carried forward. Therefore, the subject supplemental appropriation of \$230,769 from the Short Doyle Medi-Cal funds should not be approved.

3. The Budget Analyst recommends reserving the \$230,769 in Federal Block Grant Funds pending provision of detailed information to the Finance Committee documenting how SFGH alone, or the SFGH in combination with a designated provider, will utilize the subject funds. Such funds would be carried over to FY 1997-98 to provide HIV medical services to clients receiving substance abuse treatment.

4. DPH has advised the Budget Analyst that the Department will work with the potential provider agencies to develop more specific plans prior to the May 7, 1997 Finance Committee meeting. Ms. Monique Zmuda of DPH states that the DPH would prefer that none of the funds be placed on reserve in order to expedite implementation of proposed services. However, as of the writing of this report, DPH has not provided sufficient details to the Board of Supervisors as noted above.

**Recommendations:** 1. Reduce the proposed supplemental appropriation by \$230,769 (See Comment No. 2).

2. Reserve the balance of \$361,154 (See Comment No. 1 - \$130,385 and Comment No. 3 - \$230,769).

3. Approval of the subject supplemental appropriation, as amended, is a policy decision for the Board of Supervisors.



Items 4 and 5 - Files 101-94-34.2 and 101-95-69.2

**Departments:** Trial Courts  
City Administrator

**Items:** Item 4, File 101-94-34.2 - Release of reserved funds for the Trial Courts, in the amount of \$926,334, for costs associated with the new Civic Center Courthouse Project.

Item 5, File 101-95-69.2 - Release of reserved funds for the Trial Courts, in the amount of \$2,071,175 for costs associated with the new Civic Center Courthouse Project.

**Amount:**

\$926,334	(File 101-94-34.2)
<u>2,071,175</u>	(File 101-95-69.2)
\$2,997,509	Total

**Source of Funds:** Courthouse Construction Fund - These funds consist of a surcharge on civil and probate filing fees, and parking/traffic fines as follows: (1) First filing - Superior Court - \$50, (2) First filing - Municipal Court - \$10 and (3) Parking fines - \$1.50. As of April 25, 1997, the balance in the Courthouse Construction Fund was \$10,603,294, according to the Controller's Office.

**Description:** File 101-94-34.2

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$2,000,000 for costs associated with the new Civic Center Courthouse project (File 101-94-34) and placed the entire \$2,000,000 on reserve pending selection of contractors, the MBE/WBE status of the contractors and submission of cost details. Release of \$1,073,666 of the funds for Project costs, including special inspections, testing, and construction management contract modifications, was authorized in September of 1996, leaving a balance of \$926,334. The Trial Courts are now requesting that the remaining \$926,334 of the \$2,000,000 be released from reserve.

File 101-95-69.2

The Board of Supervisors previously approved a supplemental appropriation ordinance appropriating \$2,900,000 for costs associated with the new Civic Center Courthouse project (File 101-95-69) and placed the entire \$2,900,000 on reserve pending the selection of contractors, the MBE/WBE status of the contractors and submission of cost details. Release of \$762,398 of the funds for costs

associated with the cabling of the building and for architectural and engineering services for the furnishings, fixtures, and equipment, was made, leaving a balance of \$2,137,602. The Trial Courts are now requesting that \$2,071,175 of the \$2,137,602 remaining on reserve be released.

**Budget:** A summary budget of this entire request of \$2,997,509 is as follows:

Furniture, Fixtures, and Equipment	\$2,479,759
Sales Tax (@8.5%)	210,000
Relocation Services	59,774
Contingency (10%)	<u>247,976</u>
Total	\$2,997,509

**Comments:** 1. According to Mr. Clyde Cohen, Project Manager for the Civic Center Courthouse Project, the construction of the new Civic Center Courthouse, located at the corner of McAllister and Polk Streets, will be substantially completed by September of 1997 and that it is anticipated that the new Civic Center Courthouse will become operational by mid-November of 1997.

2. Attachment 1, provided by the Purchasing Department, provides costs based on actual quotations (a) the furniture, fixtures, and equipment to be procured, and (b) the Sales Tax. The Budget Analyst has reviewed the details supporting this Attachment. As shown in Attachment 1, the total cost for the furniture, fixtures and equipment is \$2,476,911, or \$2,848 less than the request of \$2,479,759. Therefore, the amount released for furniture, fixtures, and equipment should be reduced by \$2,848.

3. The actual Sales Tax amount of \$198,032, which is based on a taxable goods of \$2,329,786, is \$11,968 less than the requested amount of \$210,000. Therefore, the amount released should be further reduced by \$11,968.

4. Attachment II, provided by the Administrative Services Department, shows the costs for the Civic Center Courthouse Construction Project appropriated to date from the Courthouse Construction Fund, including this request of \$2,997,509, the budgeted uses of Certificates of Participation (COPs)<sup>1</sup> funding, actual expenditures to date, and the revised

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<sup>1</sup> A Certificate of Participation (COP) is a financing technique which provides long term financing through a lease or installment sales agreement.

budget needed for the completion of the Project. As Attachment II shows, the Trial Courts report that there is currently a total of \$83,032,304 available to pay for the Civic Center Courthouse project, including \$62,047,435 from COPs and \$20,984,869 from Courthouse Construction Funds, including funds on reserve. The total estimated cost of this project is \$82,965,799, including this request of \$2,997,509. Therefore, the total estimated funding sources of \$83,032,304 exceeds the total estimated Project costs of \$82,965,799 by \$66,505. However, it should be noted that included in the total Project costs of \$82,965,799 are contingency funds of \$2,630,018. Details have yet been provided for such contingencies.

5. The Board of Supervisors previously approved the issuance and sale of the COPs through the San Francisco Courthouse Corporation, a nonprofit corporation, which was established for the purpose of issuing up to \$63,000,000 in COPs to finance the new Civic Center Courthouse (File 97-94-56.3). As shown in Attachment II, COPs proceeds are \$59,965,390, which amount does not include interest earned on the COPs proceeds. Under a lease agreement between the City and the San Francisco Courthouse Corporation, the City will lease the new Courthouse to the San Francisco Courthouse Corporation for \$1 annually. The San Francisco Courthouse Corporation, in turn, will lease the Courthouse back to the City. The San Francisco Courthouse Corporation would use the City's lease payments to repay the COPs proceeds amount of \$59,965,390. The funding source for the total estimated Project costs of \$82,965,799 is from the Superior Court and Municipal Court filing fee surcharges and parking and traffic fines which accrue to the Courthouse Construction Fund, as noted in the Source of Funds Section above. The estimated average annual lease payments over the 25 year lease period are \$3,900,000, to be paid by the City to the San Francisco Courthouse Corporation, for a total estimated cost of approximately \$97,500,000, including interest expense of approximately \$37,534,610.<sup>2</sup>.

- Recommendations:**
1. Release funds in the amount of \$926,334 (File 101-94-34.2).
  2. Reduce the request for released funds of \$2,071,175, by \$14,816 including \$2,848 for Furniture, Fixtures and Equipment, and \$11,968 for Sales Tax, and continue to reserve \$14,816 (File 101-95-69.2).

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<sup>2</sup> \$97,500,000, less COPs proceeds of \$59,965,390.



## Memo

Tel 415.777.0202

Fax 415.777.0941

To: Mike Ward  
From: Kathryn Abbassi  
Date: April 25, 1997  
Subject: Sales Tax for Contract #197

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Per your request, following is the breakdown of sales tax for the Civic Center Courthouse furnishings:

Taxable product & installation	2,326,956.00	
Taxable freight	<u>2,830.00</u>	
		2,329,786.00
Non taxable installation	115,830.00	
Non taxable freight*	<u>31,295.00</u>	
		<u>147,125.00</u>
Subtotal		2,476,911.00
Sales Tax		<u>198,032.00</u>
Total with tax		2,674,943.00

\*It is assumed that all products will be drop shipped to the jobsite except Items C-6, C-13, T-18, T-19, M-2, M-15, and M-16. For items which are received by an installer, freight is taxable. Installation of systems furniture product is taxable.

CC: Susan Oldroyd

K/CT-YAX

# Courthouse Project Summary

Activity	APPROPRIATIONS		BUDGETED		REVENUE
	Previously App Court House Cont Funds	Remaining on reserve in Cont Fund	This Request for Release of Revenue	Uses of COPS	Construction Budget
SOURCES:					
COP Proceeds					
Interest on Proceeds					
Courthouse construction fund appropriations	\$16,084,869	\$2,137,602	\$2,071,175	\$59,965,390	\$59,965,390
Approp #152-96 as City contribution	\$762,398	\$926,334	\$926,334	\$2,082,045	\$2,082,045
Approp #449-94 as City contribution	\$1,073,666				\$16,084,869
Total all sources	\$17,920,933	\$3,063,936	\$2,997,509	\$62,047,435	\$2,000,000
					\$81,032,204
USES					
FINANCING COSTS:					
Reserve Account					
Capitalized Interest					
Costs of Issuance					
Underwriters Discount					
Subtotal financing costs					
Source available for Construction:	\$17,920,933	\$3,063,936	\$2,997,509	\$49,584,335	\$52,648,271
Project Costs					
Project and Construction Management	\$3,109,079		\$59,774	\$307,617	\$1,895,408
					\$3,634,082
Pre construction:					
Engineering, Design, and Inspections	\$4,792,605			\$341,145	\$5,089,185
Environmental Reviews and Permits	\$283,381				\$272,839
Art design, construction and Admin.	\$250,000			\$344,647	\$594,647
Site Acquisition and relocation	\$4,955,000				\$5,189,247
Abbestos Abatement and consultants	\$422,720				\$352,096
Miscel consulting and admin fees	\$439,684				\$539,975
Demolition	\$384,878				\$278,434
Furnishings fixtures and equip	\$331,866	\$1,868,134	\$2,997,715	\$1,200,000	\$3,400,000
Tele-computer installation	\$444,932	\$269,468			\$700,000
Subtotal, Preconstruction	\$15,414,145	\$2,137,602	\$2,997,509	\$2,193,409	\$20,576,433
					\$14,137,774
Construction - Building:					
Construction Contingency (7.5%)	\$269,358	\$926,334		\$1,614,865	\$2,630,018
Excavation, shoring, and loxics wharment	\$2,237,430				\$1,750,187
Building	\$0	\$0	\$0	\$45,746,061	\$45,746,061
Subtotal Construction	\$2,506,788	\$926,334	\$0	\$47,390,926	\$50,126,266
TOTAL Construction Project	\$17,920,933	\$3,063,936	\$2,997,509	\$49,584,335	\$70,502,699
					\$55,911,224
TOTAL Project including financing costs					\$82,665,799





Item 6 - File 25-97-2

**Department:** District Attorney  
Family Support Bureau

**Item:** Resolution concurring with the Controller's certification that Legal Process Services can continue to be practically performed for the District Attorney's Family Support Bureau by a private contractor for a lower cost than similar services performed by City employees.

**Services to be Performed:** Legal Process Services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for Legal Process Services for the District Attorney's Family Support Bureau for FY 1997-98 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$258,991	\$305,657
Fringe Benefits	82,518	89,667
Operating Expenses	<u>59,460</u>	<u>59,460</u>
Total	\$400,969	\$454,784
<u>Contractual Services Cost</u>	<u>166,668</u>	<u>170,945</u>
Estimated Savings	\$234,301	\$283,839

**Comments:**

1. Legal Process Services for the District Attorney's Family Support Bureau were first certified as required by Charter Section 10.104, in FY 1985-86, and have been continuously provided by an outside contractor since then.
2. The Family Support Bureau's current contract for legal Process Services is with L & L Legal Assistance Inc., an MBE firm. The renewed one-year contract for Legal Process Services with L & L Legal Assistance Inc. commences on July 1, 1997 and would expire on June 30, 1998.

3. The Contractual Services Cost of \$166,668 (low) to \$170,945 (high) used for the purpose of this analysis is based on the FY 1997-98 projected frequency of the various types of Legal Process Services and the current contractor's unit cost rates. According to the District Attorney's Office, the contract for providing Legal Process Services must be monitored by Family Support Bureau staff. Therefore, the Controller has included one-half full-time-equivalent (0.5 FTE) of a 8158 Family Support Bureau Investigator II position for this function in their Contractual Services Cost estimate, which results in both a low estimate and a high estimate related to the salary schedule of the classification.

4. The District Attorney's Office reports that L & L Legal Assistance Inc. provides health care benefits to its employees, and will begin to provide health care benefits to the domestic partners of its employees effective July 1, 1997.

5. The Controller's supplemental questionnaire with the District Attorney's Office's responses, including the MBE/WBE status of the contractor, is attached.

**Recommendation:** Approve the proposed resolution.

**CHARTER 8.300-1 (PROPOSITION J) QUESTIONNAIRE**

DEPARTMENT: D.A. Family Support Bureau

CONTRACT SERVICES: Legal Process Service

CONTRACT PERIOD: July 1, 1997 - June 30, 1998

**(1) Who performed activity/service prior to contracting out?**

Four Family Support Bureau staff, 2 8102 Process Servers and 2 8158 FSB Investigator IIs. At that time, however, the volume of required services was significantly lower than the current need.

**(2) Number of City employees laid off as a result of contracting out?**

Two vacant position (2 8102s) were deleted in FY 84/85 budget.

**(3) Explain disposition of employees if they were not laid off?**

N/A

**(4) What percentage of City employee's time is spent on services to be contracted out?**

N/A

**(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?**

Ten years. Ongoing.

**(6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?**

Fiscal Year 1985-86. Yes.

**(7) How will contract services meet the goals of your MBE/WBE Action Plan?**

Contractor is a Minority Business Enterprise (MBE).

**(8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if it is not required, does the proposed contractor provide health insurance for its employees?**

Contract does not require contractor to provide health insurance. However, contractor does provide health insurance.

**(9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?**

Contractor provides the same benefits to all employees.

Department Representative: Merlin Zimmerly

Telephone Number: (415) 356-2979



Item 7 - File 25-97-3

**Department:** Sheriff's Department

**Item:** Resolution approving the Controller's certification that County Jail Food Service Management Operations for the City and County of San Francisco can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1997-98 than if work were performed by City employees.

**Services to be Performed:** County Jail Food Service Management Operations

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for County Jail Food Service Management Operations for FY 1997-98 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$653,911	\$773,708
Fringe Benefits	<u>174,958</u>	<u>193,311</u>
Total	\$828,869	\$967,019
<u>Contractual Services Cost</u>	<u>719,406</u>	<u>719,406</u>
<u>Estimated Savings</u>	<u>\$109,463</u>	<u>\$247,613</u>

**Comments:**

1. Management of the food services of the County Jails was first certified as required by Charter Section 10.104 in FY 1980-81 and has been continuously provided by an outside contractor since then. The six County Jails are as follows: County Jail Nos. 1 and 2 located at 850 Bryant; County Jail Nos. 3 and 7 located at One Moreland Drive in San Bruno; and County Jail Nos. 8 and 9 located at 425 Seventh Street.
2. The one-year contract with Aramark Corporation to perform County Jail Food Service Management Operations expires on June 30, 1997. The Sheriff's Department wishes to

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

exercise the third of five options to renew this contract. The renewed one-year contract with Aramark Corporation for County Jail Food Service Management commences on July 1, 1997 and would expire on June 30, 1998.

3. The Contractual Services Cost of \$719,406 used for the purpose of this analysis is the current contractor's estimate of providing County Jail Food Service Management Operations for FY 1997-98.

4. The Sheriff's Department reports that the Aramark Corporation provides health care coverage to their employees, but does not provide health care coverage to the domestic partners of its employees who are registered with the County Clerk-Recorder's Office.

According to Mr. Mike Cohen at the City Attorney's Office, contracts which were entered into prior to adoption of the Domestic Partners ordinance are not obligated to provide equal benefits under the existing contract. The current contract between the Sheriff's Department and Aramark Corporation was entered into on July 1, 1994 and is due to expire on June 30, 1999. Mr. Cohen states that any contract to provide County Jail Food Service Management entered into after June 30, 1999 will require the contractor to comply with the Board of Supervisors Domestic Partners Ordinance.

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contractor, is attached.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.



## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT Sheriff

CONTRACT SERVICES: Food Service-Aramark

CONTRACT PERIOD: July 1, 1997-June 30, 1998

(1) Who performed the activity/service prior to contracting out?

Food service was performed by City employee's prior to 1980 including a Food Service Administrator, Chefs and Cooks.

(2) How many City employees were laid off as a result of contracting out?

5 Chefs and 1 Cook were deleted from the FY 94-95 budget by the Mayor's office.

(3) Explain the disposition of employees if they were not laid off.

All 6 were absorbed by other departments with similar classification. It is my understanding the Food Service Administrator's position was vacant when this first went to contract.

(4) What percentage of City employees' time is spent of services to be contracted out?

None

(5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

This service was contracted out in 1980 and will be an ongoing request for contracting out.

(6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

FY 1980-81 and has been certified for each subsequent year.

(7) How will the services meet the goals of your MBE/WBE Action Plan?

A waiver is in effect for this contracted service. The contract is a highly specialized and competitively bid contract.

(8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

There is no contracted requirement for the contractor to provide health insurance. However, this contractor does provide health insurance for its employees.

(9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance? Contractor does provide benefits to spouses of employees. Current contract expires in 1999. Contractor knows they must comply with equal benefits requirement should they request a contract modification before the contract expiration. The Contractor has been provided a copy of the legislative Department Representative Captain Jan Dempsey

Telephone Number: 554-7225





Item 8 - File 25-97-4

**Department:** Sheriff's Department

**Item:** Resolution approving the Controller's certification that the Eviction Assistance Program for the Sheriff's Department can continue to be practically performed by a private contractor at a lower cost for FY 1997-98, than if the work were performed by City employees.

**Services to be Performed:** Eviction Assistance Program

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for Eviction Assistance services for FY 1997-98 would result in estimated savings as follows (the Controller's certification does not include a high and low estimate of the savings because the position classification that is required to perform these services has a single schedule for the rate of pay):

City-Operated Service Costs

Salaries	\$32,740
Fringe Benefits	<u>8,624</u>
Total	\$41,364

<u>Contractual Services Cost</u>	<u>22,332</u>
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Estimated Savings	\$19,032
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**Comments:** 1. The Eviction Assistance Program was first certified as required by Charter Section 10.104 in 1984, and has been continuously provided by an outside contractor since then. Such services include assisting individuals who are being evicted from permanent housing and relocating them to temporary housing, as well as linking such individuals to social services agencies.

2. The one-year contract with the Salvation Army, the nonprofit organization which administers the Eviction Assistance Program, expires June 30, 1997. The renewed one-year contract with the Salvation Army for Eviction Assistance services commences on July 1, 1997.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

3. The Contractual Services Cost of \$22,332 used for the purpose of this analysis is the Salvation Army's cost for Eviction Assistance services for FY 1996-97.

4. The Sheriff's Department reports that the Salvation Army provides health care coverage to its employees, but does not extend coverage to the spouses of its employees or the domestic partners of its employees.

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contract, is attached.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

**CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE**

DEPARTMENT: Sheriff

CONTRACT SERVICES: Eviction Assistance-Salvation Army

CONTRACT PERIOD: July 1, 1997-June 30, 1998

- (1) Who performed the activity/service prior to contracting out?  
The Eviction Assistance Program was initially started with Federal funds and augmented by volunteers.
- (2) How many City employees were laid off as a result of contracting out?  
None
- (3) Explain the disposition of employees if they were not laid off.  
N/A
- (4) What percentage of City employees' time is spent of services to be contracted out?  
1-8308 Sergeant, Full Time
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?  
This service was first contracted out in 1984 and this is an ongoing request for contracting out.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?  
The first fiscal year was 1983-84 and it has been certified for each subsequent year.
- (7) How will the services meet the goals of your MBE/WBE Action Plan?  
MBE/WBE action plan is not effected because the Salvation Army is a non-profit organization.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?  
There is no contractual requirement for the contractor to provide health insurance for its employees. However, this contractor does provide health insurance for its employees.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?  
Contractor does not provide benefits to spouses of employees.

Department Representative: Captain Jan Dempsey

Telephone Number: 554-7225



Item 9 - File 25-97-5

**Department:** Sheriff's Department

**Item:** Resolution approving the Controller's certification that the San Francisco Own Recognizance Project for the Sheriff's Department can continue to be practically performed by a private contractor at a lower cost for FY 1997-98 than if the work were performed by City employees.

**Services to be Performed:** Own Recognizance Project ("OR" Project)

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar work services performed by City employees.

The Controller has determined that contracting to a private firm for the OR Project for FY 1997-98 would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Salaries	\$783,607	\$890,036
Fringe Benefits	<u>214,668</u>	<u>230,972</u>
Total	\$998,275	\$1,121,009
<u>Contractual Services Cost</u>	<u>827,061</u>	<u>827,061</u>
Estimated Savings	\$171,214	\$293,948

**Comments:** 1. The Sheriff's Department reports that the OR Project services have been provided by an outside contractor since 1966. It was first certified as required by Charter Section 10.104 in FY 1977-78. Such services consist of determining whether individuals who are charged with a misdemeanor can be recommended to the Presiding Judge to be released on their own recognizance and to ensure that such individuals attend scheduled court dates.

2. The prior one-year contract with the San Francisco Institute for Criminal Justice, a nonprofit organization which administers the OR Project, expires on June 30, 1997. The renewed one-year contract with the San Francisco Institute of Criminal Justice commences July 1, 1997.

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**BUDGET ANALYST**

3. The Contractual Services Cost of \$827,061 used for the purpose of this analysis is the current contractor's estimate of providing the OR Project services for FY 1997-98.

4. The Sheriff's Department reports that the San Francisco Institute for Criminal Justice provides health care insurance to its employees, and will begin to provide health care coverage to the domestic partners of its employees effective June 1, 1997.

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contractor, is attached.

**Recommendation:** Approve the proposed resolution.



## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT SheriffCONTRACT SERVICES: San Francisco Institute For  
Criminal Justice - O.R. ProjectCONTRACT PERIOD: July 1, 1997-June 30, 1998

- (1) Who performed the activity/service prior to contracting out?  
The service was not provided.
- (2) How many City employees were laid off as a result of contracting out?  
None
- (3) Explain the disposition of employees if they were not laid off.  
N/A
- (4) What percentage of City employees' time is spent of services to be contracted out?  
None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?  
The service was first contracted out in 1966. It is an ongoing request for contracting out.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?  
FY 77-78 and it has been certified each subsequent year.
- (7) How will the services meet the goals of your MBE/WBE Action Plan?  
This service is provided by a non-profit organization so the MBE/WBE is not effected.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?  
The proposed contract does not require the contractor to provide health insurance but the contractor does provide health insurance for its employees.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?  
Contractor does provide benefits to spouses of employees and has taken necessary steps to provide benefits to domestic partners of employees.

Department Representative: Captain Jan DempseyTelephone Number: 554-7225



Item 10 - File 25-97-6

**Department:** Sheriff's Department

**Item:** Resolution approving the Controller's certification that the Pretrial Diversion Program at the Sheriff's Department can continue to be practically performed by a private contractor at a lower cost for FY 1997-98 than if work were performed by City employees.

**Services to be Performed:** Pretrial Diversion Program

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for the Pretrial Diversion Program for FY 1997-98 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$182,268	\$215,507
Fringe Benefits	<u>48,830</u>	<u>53,922</u>
Total	\$231,098	\$269,428
<u>Contractual Services Cost</u>	<u>151,739</u>	<u>151,739</u>
Estimated Savings	\$79,359	\$117,689

- Comments:**
1. Pretrial Diversion services were first certified as required by Charter Section 10.104 in 1977 and have been provided by an outside contractor since then. Such services consist of providing alternative sentencing for first-time misdemeanor offenders, including community service and counseling.
  2. The current one-year contract with the San Francisco Pretrial Diversion Project, the nonprofit organization which administers the Pretrial Diversion Program, expires June 30, 1997. The renewed one-year contract with the San Francisco Pretrial Diversion Project commences on July 1, 1997.

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**BUDGET ANALYST**

3. The Contractual Services Cost of \$151,739 used for the purpose of this analysis is the current contractor's estimate of providing the Pretrial Diversion Program for FY 1997-98.

4. The Sheriff's Department reports that the San Francisco Pretrial Diversion Project provides health care coverage to its employees and to the domestic partners of its employees. The Sheriff's Department advises that San Francisco Pretrial Diversion Project will expand the health coverage offered to all employees to include dental benefits effective July 1, 1997.

5. The Controller's supplemental questionnaire with the Department's responses, including the MBE/WBE status of the contractor, is attached.

**Recommendation:** Approve the proposed resolution.

## CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

DEPARTMENT: Sheriff  
San Francisco  
 CONTRACT SERVICES: Pre-Trial Diversion Project  
 CONTRACT PERIOD: July 1, 1997-June 30, 1998

- (1) Who performed the activity/service prior to contracting out?  
 This service was initially funded through Federal Grant monies and service workers performed the duties.
- (2) How many City employees were laid off as a result of contracting out?  
 None
- (3) Explain the disposition of employees if they were not laid off.  
 N/A
- (4) What percentage of City employees' time is spent of services to be contracted out?  
 None
- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?  
 This service was first contracted out in 1977 and is an ongoing request.
- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?  
 FY 77-78 and has been certified for each subsequent year.
- (7) How will the services meet the goals of your MBE/WBE Action Plan?  
 The service is provided by a non-profit organization so MBE/WBE plan is not effected.
- (8) Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?  
 The proposed contract does not require contractor to provide health insurance but the contractor does provide health insurance for its employees.
- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?  
 Contract does provide benefits to spouses of employees and has taken necessary steps to provide benefits to domestic partners of employees.
- Department Representative: Captain Jan Dempsey  
 Telephone Number: 554-7225





Item 11 - Files 172-97-20

**Department:** Sheriff's Department

**Item:** Resolution authorizing the Sheriff's Department to enter into an agreement with Community Alert Network, Inc., for an automated telephone notification system, which provides for mutual indemnification from claims or other damages which arise as a result of performance under the agreement.

**Description:** In August of 1996, a prisoner escaped from the Sheriff's Department's County Jail facilities located at One Moreland Drive in San Bruno. While the escaped prisoner was apprehended by the San Francisco Police Department within the same day, residents of San Bruno and Pacifica expressed concerns that they were not notified of the escape and could not take appropriate precautions. In response to these concerns from the community, the Sheriff's Department has agreed to provide the residents of San Bruno and Pacifica with an automated telephone notification system which can be activated by the Sheriff's Department in the event of an emergency related to the San Bruno Jail Compound.

**Comments:** 1. According to Captain Jan Dempsey at the Sheriff's Department, the automated telephone notification system, when activated, would notify residents in selected areas of San Bruno and Pacifica that would be most affected by emergency situations at the San Bruno Jail Compound. Captain Dempsey advises that the San Bruno and Pacifica Police Departments are currently in the process of determining which neighborhoods in the City of San Bruno and the City of Pacifica in San Mateo County would require notification in the case of an emergency situation.

2. Captain Dempsey states that prior to this proposed installation of the automated telephone notification system, in the event of an escape, officials at the San Bruno Jail would notify the City of San Bruno and the City of Pacifica Police Departments as well as the central communication center of the San Mateo County Sheriff's Department to initiate a county-wide broadcast for all law enforcement agencies in San Mateo County (see Attachment I).

3. According to Captain Dempsey, the Sheriff's Department selected Community Alert Network, Inc., on a sole-source basis, to set up and maintain the automated telephone notification system. According to Captain Dempsey, Community Alert Network, Inc. is the only known U.S.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

supplier of computer driven telephone notification services used to respond to emergencies. Captain Dempsey states that Community Alert Network, Inc., has experience in providing neighborhood emergency notification systems for prison facilities to inform nearby residents of prison escapes and incidents (see Attachment II for information regarding the sole-source status of Community Alert Network, Inc. and see Attachment III for the firm's correctional facilities references).

4. Captain Dempsey states that the notification system would require a one time installation cost of \$13,000 and an annual operating cost of \$11,000 to be paid by the Sheriff's Department to Community Alert Network, Inc. In addition, when the notification system is activated, Community Alert Network, Inc. would bill the City \$55 per hour. The number of hours would be based on the total number of residents to be contacted as determined by the City of San Bruno and City of Pacifica Police Departments. The notification system can make over 6,000 calls per hour at a rate of \$55 per hour. Captain Dempsey states that the City of San Bruno and the City of Pacifica Police Departments estimate that approximately 3,800 households in San Bruno and Pacifica would be called by the system in the event of an escape. Therefore, the automated notification system procedures would take less than one hour to complete. Based on information provided by Captain Dempsey that there have only been three escapes from the San Bruno Jail Compound since 1990, we estimate that the additional hourly charges would be minimal.

Captain Dempsey advises that the previously appropriated monies in the Sheriff's Department's FY 1996-97 budget would be used to pay for the one-time installation costs of \$13,000. Captain Dempsey also advises that the annual operating costs for the automated notification system, which would be implemented upon approval of the proposed resolution, would be requested in the Sheriff's Department's annual budget.

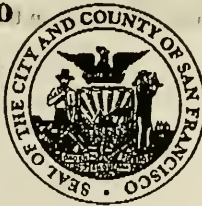
5. According to Mr. Rob Maerz of the City Attorney's Office, the dual indemnification provisions are reasonable provisions for the agreement between the Sheriff's Department and the Community Alert Network, Inc.

6. In Attachment I, Captain Dempsey of the Sheriff's Department states that since prisoners are the responsibility of San Francisco County, San Francisco should pay for the costs related to this proposed automated telephone

notification system to insure the public safety of the residents of San Bruno and Pacifica who may be in the area surrounding the San Bruno jail. Additionally, in Attachment III, Captain Dempsey states that San Francisco County is believed to be the only county in California which has a jail facility located in another county. For these reasons, the Sheriff's Department is requesting that San Francisco pay for 100 percent of the costs of the proposed automated telephone notification system and that no portion of such costs should be paid by the City of San Bruno and the City of Pacifica.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

OFFICE OF THE SHERIFF



Michael Hennessey  
SHERIFF

(415) 554-7225

May 1, 1997

Reference: F/S 97-124

Chung-han Lee  
Budget Analyst Office  
1390 Market Street, Room 1025  
San Francisco, CA 94102

Dear Mr. Lee:

The Sheriff's Department requests the Board of Supervisor's approve a mutual indemnification resolution so the Department can enter into a contract with the Community Alert Network, Inc. (CAN)

CAN will provide a computerized notification system to the residents of San Bruno and Pacifica in the event of an escape from the San Bruno Compound. The prisoners housed in the jail facilities there are San Francisco County detainees, either sentenced or pre-sentenced. When an escape occurs, the residents of San Bruno and Pacifica are endangered until the escapee is apprehended. Since the prisoners are the responsibility of San Francisco County, San Francisco should pay costs related to a notification system of this type to insure the public safety in the area surrounding the jail San Bruno Jail Compound.

In the past, Sheriff's Department personnel notified the local police agencies and the central communication center of the San Mateo County Sheriff's Department to initiate a county-wide broadcast for all law enforcement agencies in San Mateo County. There was no mechanism or staff to notify residents individually in the area. CAN provides such a mechanism for timely notification of the residents.

It should be noted there have only been 3 escapes from the San Bruno Compound since 1990.

If you have any further questions, please contact me at 554-7217.

Sincerely,

A handwritten signature in cursive script, appearing to read "Capt Jan Dempsey", is written over a horizontal line.

JAN DEMPSEY, CAPTAIN  
Financial Services Manager

Attachment II

October 4, 1996

Sergeant Richard Ridgway  
San Francisco Sheriff's Department  
633 Folsom  
Room 200  
San Francisco, CA 94107

Dear Sergeant Ridgway:

Community Alert Network (CAN) is the only known U.S. supplier of computer driven telephone notification services used to respond to emergencies. Our unique service gives San Francisco Sheriff's Department the capability of notifying large numbers of people in a very short period of time by telephone using 100 telephone lines.

Since 1984, we have been helping save lives and property in emergencies involving:

- Hazardous materials incidents
- Fires and explosions
- Floods and severe weather conditions
- Prison breaks and incidents
- ...and much more.

CAN's live operations personnel activate the computer system that can send your voice messages to target areas - from complete counties down to a house on a specific street - at the rate of 6,000 + calls an hour, reaching as many as 20,000 people. (We keep adding phone lines, so it may even be more by the time you contract with CAN).

CAN maintains two completely redundant Operation Centers. One on each coast to insure our ability to perform.

To the best of our knowledge, and to the knowledge of countless emergency management professionals in North America we have canvassed, there is not other service like this. We have contracts in 40 plus states and 4 Provinces in Canada.

A present client put their contract out for bid but found no other bidders. We have also queried members of the National Coordinating Council on Emergency Management and other organizations. Based on all available evidence, we believe ourselves to be the "sole source" provider of computerized, telephone emergency notification services of this type.

We would be pleased to provide our services to San Francisco Sheriff's Department.

If you have any questions, please call me. I will be calling in the near future to see if we can assist you.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Ken Bacchel', written in a cursive style.

Ken Bacchel  
President

301 Nott Street • Schenectady, NY 12305-1039  
518-382-8007 • 800-992-2331 • Fax 518-382-0675



# City and County of San Francisco

Attachment III  
Page 1 of 2

## OFFICE OF THE SHERIFF



Michael Hennessey  
SHERIFF

(415) 554-7225

May 2, 1997

Reference: F/S 97-131

Chung-han Lee  
Budget Analyst Office  
1390 Market Street, Room 1025  
San Francisco, CA 94103

Dear Mr. Lee:

Attached is a listing of Corrections Reference provided by CAN. The type of facility and location are listed for the 3 facilities you requested.

The Department has checked with the Board of Corrections, the responsible State agency for local detention facilities in California. They believe our situation to be unique in the State for having a jail facility located in another county. The California State Sheriff's Association was also contacted. They, too, believe the San Francisco County situation to be unique in the State.

If you have further questions, please contact me at 554-7217.

Sincerely,

A handwritten signature in cursive script, appearing to read "Jan Dempsey", written over a horizontal line.

JAN DEMPSEY, CAPTAIN  
Financial Services Manager

**COMMUNITY ALERT NETWORK  
CORRECTIONS REFERENCES**

Bridgewater Correctional Complex      State Facility  
Peter Argeropulos      Bristol County, MA  
(617) 727-0417

Highland Residential Center      State Facility  
Michael E. Thies      Ulster County, NY  
(914) 691-6015

New Jersey Department of Corrections  
Don Pidcock  
(609) 633-8029

Tryon Residential Center      State Facility  
Lee Parent      Fulton County, NY  
(518) 762-4681 Ext.380

Washington D. C. Department of Corrections  
Bill Meeks  
(202) 673-7300

Washington State Corrections  
Dan Pacholke  
(360) 664-0509

060696

Item 12 - 172-97-23

**Department:** Department of Public Works (DPW)

**Item:** Ordinance authorizing the Department of Public Works (DPW) to modify the existing contract of the General Contractor for the City Hall Seismic Retrofit Project to include work for the City Hall Non-Seismic Improvement Project, and authorizing the General Contractor for the City Hall Seismic Retrofit Project to directly retain all subcontractors for the City Hall Non-Seismic Improvement Project, instead of the City conducting a competitive bidding process for contracts.

**Description:** In November of 1995, San Francisco voters approved a \$63.59 million bond issuance to support the City Hall Non-Seismic Improvement Project. These improvements include a childcare center, increased disability access, telephone and data wiring, electrical service, hazardous material abatement, repair and refurbishment of the copper dome, exterior railings and various other expenditures. Previously, the City Hall Seismic Retrofit Project, a \$181 million component of the \$332 million Earthquake Safety Program - Phase 2, was approved by the voters in June of 1990. The City Hall Non-Seismic Improvement Project is being carried out by the DPW simultaneously with the City Hall Seismic Retrofit Project.

In July 1996 the Board of Supervisors authorized an appropriation in the amount of \$57,902,290 for the City Hall Non-Seismic Improvement Project. \$43,524,203 of the \$57,902,290 appropriation was reserved pending the selection of the construction contractors. The proposed ordinance would authorize the DPW to execute a contract modification to the existing contract of the General Contractor for the City Hall Seismic Retrofit Project. Huber Hunt & Nichols, adding the Non-Seismic Improvement Project work to this contract with the existing General Contractor (see Comment No. 1). Under the proposed ordinance, Huber Hunt & Nichols would, in turn, be authorized to (1) negotiate modifications (totalling approximately \$14 million, according to Mr. Tony Irons of the DPW) to existing City Hall Seismic Retrofit Project subcontracts, authorizing such subcontractors to work on the City Hall Non-Seismic Improvement Project where similar types of work need to be carried out for the City Hall Non-Seismic Improvement Project; and (2) divide the remaining approximately \$32 million of City Hall Non-Seismic Improvement Project work into approximately 20 separate

portions of work by trade, and award subcontracts for such work, subject to approval by the Director of Public Works.

The proposed ordinance would require that Huber Hunt & Nichols advertise for subcontractors in the City's official newspaper, the San Francisco Independent. Huber Hunt & Nichols would also be required to work with the City's Human Rights Commission (HRC) to conduct community outreach efforts to encourage minority and women-owned businesses to submit proposals for the advertised subcontracts. Huber Hunt & Nichols would be required to either meet the goals established by the HRC for subcontractor participation in the City Hall Non-Seismic Improvement Project (20 percent MBE and 6 percent WBE), or to demonstrate good faith efforts to meet such goals. Under this proposed legislation the HRC would have sole authority to determine whether Huber Hunt & Nichols has demonstrated sufficient good faith efforts in meeting the MBE/WBE goals.

The proposed ordinance states that Huber Hunt & Nichols would be required to select subcontractors that provide the best overall value to the City with regard to: (1) price; (2) qualifications and quality of work; and (3) participation of HRC-certified minority and women-owned businesses.

The proposed ordinance would exempt the City Hall Non-Seismic Improvement Project work from the requirements of Administrative Code Section 6.05, which, for new projects, requires competitive bidding conducted directly by the City, through the Department of Public Works, in that the General Contractor, Huber Hunt & Nichols, and not the City, would conduct competitive bidding for the subcontracts. However such competitive bidding procedures under Huber Hunt & Nichols would authorize that discretion be given to Huber Hunt & Nichols to select subcontractors by considering qualifications and quality of work, MBE/WBE status as well as price instead of the City itself directly using its normally required competitive bidding procedures to award contracts. The subcontractors selected by Huber Hunt & Nichols would be subject to the approval of the Director of Public Works, but their contracts would not be subject to the City's normally required competitive bidding process, because such contracts would be awarded by Huber Hunt & Nichols, and not by the City.

**Comments:**

1. Mr. Irons states that it is important to use the same General Contractor for the City Hall Seismic Retrofit Project and the City Hall Non-Seismic Improvement Project, namely Huber Hunt & Nichols, in order to provide accountability by



assuring a single source of responsibility for all City Hall work, and to avoid complications and added costs that might arise from having two or more competing general contractors at the same job site simultaneously.

The Budget Analyst believes that this argument has merit. However, in the professional judgment of the Budget Analyst, the DPW should have included the non-seismic work that was needed in City Hall as an option in the original competitive bid for the City Hall Seismic Retrofit Project. The DPW knew that such work was necessary at the time of the Seismic Retrofit Project bid. If the non-seismic work had been included as an option, the bidding general contractors would have obtained quotes from subcontractors for such work, and the entire award could have been made based on the City's normally required competitive bidding process.

Instead, the DPW (1) informed the Board of Supervisors at the time of the July 1996 supplemental appropriation that Huber Hunt and Nichols would have to be used as the General Contractor for both projects, for the practical reasons cited above; and (2) is now retroactively requesting that Huber Hunt & Nichols be given the authority to hire the subcontractors for the non-seismic work. See Attachment No. 1 for a response to this comment from Mr. Irons.

2. Mr. Irons further states that the City should use the same subcontractors for similar types of work on both projects, in order to insure that the City can obtain fully warrantable building-wide systems.

3. According to Mr. Irons, the reasons to authorize Huber Hunt & Nichols to select the subcontractors that will be needed, rather than having the City, through DPW, directly conduct its normally required competitive bidding process, are as follows:

- The City normally solicits competitive bids from general contractors, who include subcontractor bids in their submittals. In this instance, without approval of the proposed legislation, the City would have to award contracts to subcontractors in the same manner that the City awards contracts to the general contractors, which would mean that all bidders would have to comply with the requirements for surety bonds and other insurance that the City requires of general contractors. Mr. Irons states that such requirements would, in effect, limit bidders to large subcontractors. Mr. Irons states that, by authorizing Huber Hunt & Nichols, the prime contractor for the City Hall Seismic Project, to directly retain subcontractors, instead of having the City retain such

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

subcontractors, then the subcontractors would be covered under Huber Hunt & Nichols' surety bond. According to Mr. Irons, this method of selecting subcontractors should increase small business and minority participation in the City Hall Non-Seismic Improvement Project.

The Budget Analyst notes that, had the non-seismic work been included as an option in the original bidding process for the Seismic Retrofit Project, it would not have been necessary to have Huber Hunt & Nichols select subcontractors outside of the City's normal competitive bid process.

- Mr. Irons advises that the City Hall projects are extremely complex, requiring extensive interface between numerous subcontractors. According to Mr. Irons, in a competitive bid process conducted directly by the City, through DPW, for such subcontractors, the DPW would not be permitted to meet individually with potential bidders to ensure that all of their questions were answered prior to bid submission. Under a selection process conducted by the General Contractor, Huber Hunt & Nichols, instead of directly by the City through DPW, the General Contractor would meet with interested subcontractors to describe the project and answer any questions. Mr. Irons states that the DPW wishes to prevent small firms from submitting unrealistic bids because of incomplete understanding of the complexities of the project.

Again, the Budget Analyst notes that, had the non-seismic work been included as an option in the original bidding process for the Seismic Retrofit Project, this problem would not have arisen.

Mr. Irons states that, overall, the proposed ordinance provides the DPW with the potential to achieve more participation by small firms and minority firms in the City Hall Non-Seismic Improvement Project. However, Mr. Irons cannot provide any assurances that more participation, by small and minority firms will be achieved.

4. Attachment No. 2 to this report, provided by the DPW, shows the MBE and WBE subcontractors for the City Hall Seismic Retrofit Project. As shown in the attachment, MBE subcontractors received 21.32 percent of the total \$103 million construction contract amount, and WBE subcontractors received 5.27 percent of the \$103 million total. Attachment No. 3 to this report shows all subcontractors whose existing contracts were amended to include Non-Seismic Improvement Project work under a \$7,350,752 release of reserve approved by the Finance Committee in



April 1997, MBE subcontractors received 15.81 percent of this \$7,350,752, and WBE subcontractors received 4.24 percent of the \$7,350,752.

5. The proposed ordinance should be amended to provide retroactive authorization to the DPW to modify the contract of the General Contractor for the Seismic Retrofit Project and to allow the General Contractor to modify existing Seismic Retrofit Project subcontracts, to include Non-Seismic Improvement Project work.

**Summary** In summary this proposed ordinance would (1) formally authorize the DPW to use the General Contractor for the City Hall Seismic Retrofit Project as the General Contractor for the City Hall Non-Seismic Improvement Project, through a contract modification; (2) authorize the General Contractor to negotiate changes to existing subcontracts for the Seismic Retrofit Project to include work for the Non-Seismic Improvement Project; and (3) authorize the General Contractor to award new subcontracts for Non-Seismic Improvement Project work, subject to the approval of the Director of Public Works, but not subject to the City's normally required competitive bidding process.

- Recommendations:**
1. Amend the proposed ordinance to provide retroactive authorization.
  2. Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

San Francisco  
CITY HALL

Seismic Retrofit Project

Building Improvement Project

□ 2288U

□ 1049H

## MEMORANDUM

**DATE:** May 2, 1997

**SUBJECT:** City Hall Bidding Procedures

**TO:** Harvey Rose, Budget Analyst

**FROM:** Tony Irons, Project Manager

Please find attached the information requested regarding construction contacts for the City Hall Project. Huber, Hunt & Nichols is the General Contractor for the seismic retrofit project, having been awarded the contract through a public, low bid process. By previous action by the Board of Supervisors, their contract has been modified to include work for Proposition "A" (non-seismic improvements approved by the voters in November 1995). The following are answers to questions you asked to have addressed:

**1. Why was the work of Proposition "A" not included in the General Contract for the seismic retrofit?**

The seismic retrofit project was publicly bid in November 1994. This was just after the voters had rejected a measure to appropriate \$38,000,000 for non-seismic work. There was a strong feeling held by those responsible for proposing bond measures that subsequent requests to voters would also be rejected unless the scope of work were substantially reduced. I personally felt that this was not the case; that the non-seismic, even a greater scope of work, work was an absolute necessity for this building to be appropriately renovated for occupancy and that the voters would agree with this if given a clear and thorough explanation. I am, however, neither elected nor appointed to make policy decisions and therefore not authorized to include any provisions in a City contract pertaining circumstances which may or may not occur. We did include in the seismic contract a general provision that, should additional work be necessary, the General Contractor must coordinate that work with work of his/her contract. The Seismic Retrofit Contract was awarded in March 1995. Proposition "A" was not approved by voters until November 1995.

A San Francisco Department of Public Works Project

Managed by the Bureau of Construction Management & Turner Construction Company  
100 Grove Street, San Francisco, CA 94102 ☎ (415) 863-0273 • Fax (415) 863-2712

Harvey Rose, Budget Analyst

May 2, 1997

Page 2

**2. Why are we not bidding all of the work of Proposition "A" as a separate General Contract?**

When a General Contract is awarded, the contractor becomes responsible for the care and custody of the building; their insurance covers injury and damage to people and property and their bonds insure financing of work they cannot complete. If two General Contractors occupy the same building, performing the same trade work in virtually the same space, all these protections are gone. The City would have no ability to determine which contractor was liable for damage or injury or for schedule delays or change orders due to interference's. This is clearly the least desirable option.

**3. Why should the City not bid all of the subcontracts and assign them to Huber Hunt & Nichols?**

All of the parts of the work are subcontracts, e.g. drywall, electrical, steel studs, millwork, etc. The subcontractors who would bid do not bid work to the City; they submit bids to General Contractors who compile these bids as a whole and submit one price to the City for the work. The requirements for submission of bid to the City are stringent and expensive. They require bid bonds, proof of performance bonds, documented compliance with HRC requirements and extensive insurance coverage. These are things the subcontractors do not have. If bid by the City, we would likely eliminate most if not all small, local subcontractors.

This job is extremely complex. There are 1600 sheets of drawings and three volumes of specifications. If bid by the City, every subcontractor would be responsible for coordination of all their work with all the documents. If they miss some part and submit a sealed bid, they pay for the shortfall. This alone puts small /minority firms in significant jeopardy. If Huber, Hunt and Nichols solicits pricing, as they would in any General Contract bid, they can meet with the subcontractors, review the proposal, adjust it to the reality of the job and help prevent subcontractor failure. The City cannot do this.

# HUBER, HUNT & NICHOLS, INC.

4/2/97

GOAL LEVEL

MBE GOAL: 18.6%

WBE GOAL: 5.2%

Attachment 2

SAN FRANCISCO CITY HALL, PROJECT NO. 22880

MBE/WBE SUBCONTRACTORS PARTICIPATION

SEISMIC RETROFIT &amp; EARTHQUAKE

DAMAGE REPAIR OF SAN FRANCISCO CITY HALL

SUBCONTRACTOR TO HHSN

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

Aladdin Builders

Wood Restoration

Latino

11,181,440

Caucasian

1,528,100

Carrara Marble Co. of America

Stonework

Latino

24,811

Caucasian

735,000

Confidential Building Specialties

Building Specialties

Black

120,000

Caucasian

1,012,500

Fire Barrier

Waterproofing

Black

4,800,000

Caucasian

1,981,300

Handypersons, Inc.

Interior Protection

Asian

744,150

Caucasian

138,000

Handypersons, Inc.

Exterior Protection

Asian

60,000

Caucasian

1,981,300

Landvazzo Bros. Inc.

Mechanical/Plumbing

Latino

364,875

Caucasian

138,000

Myron Demolition &amp; Excavation

Earthwork

Black

60,000

Caucasian

1,981,300

Parrett &amp; Park Pictures

Photo Documentation

Latino

60,000

Caucasian

1,981,300

Protect

Site Security

Asian

270,000

Caucasian

1,981,300

RainComp

Computers

Asian

60,000

Caucasian

1,981,300

SCA Environmental, Inc.

Environmental Hygiene

Asian

18,177,565

Caucasian

1,981,300

SUB-TOTAL:

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

SUBTIERS TO SUBCONTRACTORS

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

Hoock Iron (Sub of Oita Elevator)

Supplier

Black

3,500,000

Caucasian

10,000

LTM/Sheedy (Sub of Boston)

F. I. Structural Steel

Latino

35,000

Black

10,000

R &amp; A Supplies (Sub of Cosco)

Supplier

Latino

75,000

Black

10,000

R &amp; A Supplies (Sub of Van Muter)

Supplier

Asian

150,000

Caucasian

10,000

Peerlight (Sub of Roseand)

Supplier

Asian

3,760,000

Caucasian

10,000

SUB-TOTAL:

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

GRAND TOTAL:

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

HRC MBE/WBE GOALS:

SCOPE OF WORK

MBE

MBE \$

WBE

WBE \$

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1997.05-02

10:30

#633 P.02/02

FROM : SF CITY HALL PROJECT

## ATTACHMENT "C"

Attachment No. 3

## SUBCONTRACTORS FOR PROPOSITION "A" - MODIFIED FROM SEISMIC CONTRACT

## Project Cost Breakdown

## Infrastructure Fire Protection

Subcontractors: MBE 17.8% / WBE 21.7%

O'Campotolo (material supplier MBE) 122,791

Vickers (coring subcontractor MBE) 8,000

Potter Fire Protection (labor WBE) 180,000

Cosco Fire Protection, Inc. 443,984

Subtotal Fire Protection Subcontractors 734,775

General Contractor: Huber, Hunt &amp; Nichols 118,724

Subtotal Fire Protection Change Order 853,499

## Telecommunications Work

Subcontractors: MBE 5.8% / WBE 3.4%

Millard Tong Construction Co. (cabling MBE) 159,440

LMB Associates (system design WBE) 94,059

Siemens Rolm Communications, Inc. 2,452,924

Subtotal Telecommunications Subcontractors 2,706,423

General Contractor: Huber, Hunt &amp; Nichols 544,651

Subtotal Telecommunications Change Order 3,251,074

## Infrastructure Electrical Work

Subcontractors: MBE 18.6% / WBE 8.6%

L.C. Electric, Inc. (electric switchgear MBE) 123,141

Omega Pacific Electric Supply, Inc. (material WBE) 57,377

Rosendin Electric, Inc. 481,530

Subtotal Electrical Subcontractors 662,048

General Contractor: Huber, Hunt &amp; Nichols 106,973

Subtotal Electrical Change Order 769,021

## Infrastructure Mechanical &amp; Plumbing Work

Subcontractors: MBE 35.2% / WBE 0%

Kent Lim &amp; Co., Inc. (mechanical MBE) 748,587

J. Gibbs &amp; Sons, Plumbing 1,377,705

Subtotal Mechanical &amp; Plumbing Subcontractors 2,126,292

General Contractor: Huber, Hunt &amp; Nichols 350,866

Subtotal Mechanical &amp; Plumbing Change Order 2,477,158

Total Request For Release From Reserve

7,350,752







Item 13 - File 191-97-3

**Item:** Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission."

**Description:** During Fiscal Year 1995-96, the Board of Supervisors approved the expenditure of \$150,000 to conduct a preliminary feasibility study of municipalizing the electric utilities distribution system, now operated by Pacific Gas and Electric Company (PG&E). Economic and Technical Analysis Group (ETAG), an independent consulting firm, conducted the preliminary feasibility study and submitted its final report to the Public Utilities Commission, Hetch Hetchy, and the Board of Supervisors.

The ETAG report concludes that "savings to San Franciscans are more likely than not [with municipalization], and we find that they would be between 5% and 10%, as compared to PG&E service." The ETAG report recommends that a more extensive study of the feasibility of municipalization be conducted "if -- and only if -- the City and County of San Francisco is inclined as a policy decision to pursue municipalization."

The major findings and recommendations of the report are as follows:

1. Municipalization of PG&E services will most likely save San Franciscans between 5% and 10%.
2. A close second most likely savings would lie in the 0% to 5% range.
3. It is unlikely that municipalization would yield a savings above 10% or that higher costs would result from municipalization.
4. Given the studies findings, a comprehensive feasibility study should be pursued if, and only if, the Board of Supervisors make a policy decision to "pursue municipalization on the basis of its prospective costs, risks and benefits, and if it can spare the dollars from pressing needs."

**Comments:** 1. According to Ms. Deborah Penn Assistant Executive Director for Information Services of the American Public Power Association (APPA), several localities throughout the United States, including localities in California, have formed municipal electric utility systems. According to a survey of municipal electric utilities contained in the ETAG report,

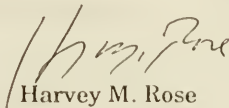
some of the California localities that have municipal public power include Los Angeles, Sacramento, Santa Clara, Pasadena, Alameda and Palo Alto.

2. According to Ms. Penn, research by the American Public Power Association indicates that various jurisdictions have determined that forming municipal electric power systems could provide lower rates to customers while increasing revenues for the jurisdiction. Conducting a comprehensive feasibility study on the effect of municipalizing electric utilities would address the degree to which the City might be able to lower rates for its customers and realize revenues. A comprehensive study would also address the initial costs of acquiring the system from PG&E, and the ongoing operating costs to the City. The method of financing the acquisition costs of the system from PG&E would also be included as part of a comprehensive study.

3. According to Mr. Lawrence T. Klein, General Manager of Hetch Hetchy, San Francisco would have to conduct a full and comprehensive feasibility study in order to develop an inventory and cost estimates associated with acquiring the electric utilities distribution system from PG&E, and developing a process to staff and manage the system once it has been acquired. The engineering firm of R.W. Beck estimates that the engineering costs of a comprehensive feasibility study would range from \$700,000 to \$1,500,000. This range is contingent upon the amount of cooperation provided by PG&E in appraising the system and completing a comprehensive inventory of all facilities. Mr. Klein concurs with the estimated costs of R.W. Beck to conduct the study. However, Mr. Klein also advises that an additional 10% to 20% may be required to cover the costs of City staff time and some initial attorney fees, therefore increasing the range of estimated costs from \$770,000 to \$1,800,000 to conduct a comprehensive feasibility study for purposes of municipalization of PG&E.

4. Representatives of R.W. Beck estimate that the engineering portion of a comprehensive study to assess the feasibility of municipalizing the electric utilities distribution systems would take approximately 12 to 18 months to complete. Mr. Klein concurs with this estimate and advises that the process for selecting a qualified consulting firm to conduct the study will take approximately six months to complete. In addition to the engineering portion of the study, additional time will be required to address legal and other non-engineering matters related to the feasibility of municipalization of PG&E services.

5. The funding source to conduct a comprehensive feasibility study, which as previously indicated would range in estimated costs of \$770,000 to \$1,800,000, has not been identified.



Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Steve Agostini  
Stephen Kawa  
Ted Lakey



# CALENDAR

## Finance Committee Board of Supervisors City and County of San Francisco

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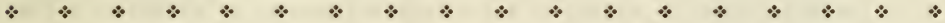
### REGULAR MEETING

WEDNESDAY, MAY 14, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



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The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, MAY 14, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 84-97-3. [Purchase of 2789 25th Street Property] Resolution authorizing the exercise of the purchase option in the lease between the City and County of San Francisco ("City"), as lessee, and Plant Properties, Inc., as lessor, for the real property and building located at 2789 25th Street (The "Property"); authorizing the officers of the City to enter into documents to implement said purchase; approving a facilities lease related to financing the acquisition of the property (including certain indemnities contained therein); approving a trust agreement between the City and a bond trustee (including certain indemnities contained therein); authorizing the selection of a bond trustee; approving the execution and delivery of certificates of participation to finance the acquisition of the property; authorizing the offer and sale of the certificates; approving the form of official notice of sale, notice of intention to sell, and official statement; approving the form of continuing disclosure certificate relating to the certificates; authorizing the obtaining of credit enhancement for the certificates; adopting finds under the California Environmental Quality Act and findings pursuant to City Planning Code Section 101.1; approving the validation of this transaction; and ratifying previous actions taken in connection therewith. (Mayor)

ACTION:

2. File 25-97-7. [Prop J Contract, Parking Meter Collection Services] Resolution concurring with the Controller's certification that parking meter revenue collection services continue to be performed by a private contractor for a lower cost than the same services performed by civil service appointment. (Department of Parking & Traffic)

ACTION:

3. File 93-97-35. [MEA Arbitration Award] Ordinance adopting and implementing the provisions of an arbitrator's award dated March 31, 1997 setting the compensation of classifications represented by the Municipal Executives Association for Bargaining Units M and EM for the period July 1, 1996 through June 30, 1998. (Also see File 93-95-31). (Department of Human Resources)

ACTION:



4. File 101-96-68. [Appropriation, District Attorney] Ordinance appropriating \$55,000, District Attorney's Office, from the General Fund Reserve for litigation expenses (investigative services and witness support) for fiscal year 1996-97. RO #96298. (Controller)

ACTION:

5. File 101-96-69. [Appropriation, Juvenile Probation] Ordinance appropriating \$472,209, Juvenile Probation, of State Revenue for salaries, materials and supplies, other current expenses, equipment and facilities maintenance (Log Cabin Ranch) for fiscal year 1996-97; placing \$118,222 on reserve. RO #96128. (Controller)

ACTION:

6. File 101-96-70. [Appropriation, Public Defender's Office] Ordinance appropriating \$140,000, Public Defender's Office, of Court Fee Revenue to salaries and fringe benefits to address the projected budget shortfall for fiscal year 1996-97. RO #96300. (Controller)

ACTION:

7. File 101-96-72. [Appropriation, Mayor's Office] Ordinance appropriating \$66,000, Mayor's Office, from the General Fund Reserve to security services in fiscal year 1996-97, to reimburse the Community United Against Violence (CUAV), for costs associated with a 1996 halloween event; providing for ratification of action previously taken. RO #96304. (Controller)

ACTION:

8. File 101-96-73. [Appropriation, DPH-Mental Health] Ordinance appropriating \$400,000, Department of Public Health-Mental Health, of State Revenue for other medical services, to provide additional children and youth crises services in fiscal year 1996-97. RO #96306. (Controller)

ACTION:

9. File 101-96-74. [Appropriation, Public Library] Ordinance appropriating \$399,660, Public Library, of 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency), for fiscal year 1996-97. RO #96255A. (Controller)

ACTION:

10. File 79-95-6.5. [Reserved Funds, Mayor's Office of Community Dev.] Hearing to consider release of reserved funds, Mayor's Office of Community Development (CDBG Grant), in the amount of \$380,000, (899 Guerrero Street Inc./St. Joseph Village \$285,000 and Golden Gate Community Services \$95,000), to fund the 1996 Homeless Facilities Program Pool. (Mayor's Office of Community Development)

ACTION:

11. File 101-96-7.2. [Reserved Funds, Mayor's Office of Community Dev.] Hearing to consider release of reserved funds, Mayor's Office of Community Development, (Convention Facilities Fund), in the amount of \$100,000, for architectural design services and for administrative costs including fiscal and legal expenses necessary for managing this grant. (Mayor's Office of Community Development)

ACTION:

12. File 65-97-7. [Lease of Property] Resolution authorizing five (5) leases to non-profit agencies of certain City properties under the purview of the Southeast Community Facility Commission. (Real Estate Department)

ACTION:

13. File 97-97-20. [General Assistance Grants] Ordinance amending Administrative Code Section 20.57 relating to the automatic cost of living adjustment of general assistance grants. (Mayor Willie L. Brown, Jr.)

ACTION:

14. File 97-97-17. [Budget Process] Ordinance amending Administrative Code to establish a budget process pursuant to Charter Section 9.100 by repealing Sections 3.05 through 3.20 and adding Sections 3.1 through 3.25 and reserving Sections 3.26 through 3.49 for future use. (Supervisor Kaufman)

ACTION:

15. File 191-97-3. [Electric System Municipalization] Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission". (Supervisor Bierman)  
(Continued from 4/7/97.)

(NOTE: At the request of the Sponsor the Chair shall entertain a motion to continue this item to May 21, 1997.)

ACTION:

## CLOSED SESSION PENDING LITIGATION

The Finance Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(b) to discuss the proposed supplemental appropriation of funds for the New Main Library Project, and specifically to discuss the monies requested for project change orders, the construction management and consultant contracts, and for services of the City Attorney's Office. In the opinion of the City Attorney there is a significant exposure to litigation against the City as a result of subcontractor disputes regarding cost claims related to the project.

16. File 101-96-64. [Appropriation, Public Library] Ordinance appropriating \$1,583,586, Public Library, of 1988 Public Library Improvement Bond interest earnings to capital improvement projects (construction contingency), for fiscal year 1996-97. RO #96255. (Controller)

### ACTION:

The Finance Committee of the Board of Supervisors may find that it is in the best interest of the City not to disclose any information revealed in its closed session deliberations in the above item at this time and may move not to disclose any information at this time.

## LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 97-97-24, Fire Department Response Fees (Draft Ordinance), (Mayor), 30 day Rule expires 5/29/97.

File No. 97-97-25, Bonding and Financial Assistance Program, Contractor, (Supervisor Leal), 30 day Rule expires 5/29/97.

File No. 97-97-26, Property tax exemption, low value, (Supervisor Brown), 30 day Rule expires 6/4/97.

File No. 127-97-4, Hotel Tax Reallocation, City-owned Cultural Centers, (Supervisor Bierman), 30 day Rule expires 6/4/97.

File No. 127-97-5, Hotel Tax Technical Amendments, (Supervisor Bierman), 30 day Rule expires 6/4/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE  
SAN FRANCISCO BOARD OF SUPERVISORS  
401 VAN NESS AVENUE, ROOM 308  
VETERANS BUILDING  
SAN FRANCISCO, CA 94102

**HEARING NOTICE**

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

May 9, 1997

**TO:** Finance Committee

**DOCUMENTS DEPT.**

**FROM:** Budget Analyst

**MAY 13 1997**

**SUBJECT:** May 14, 1997 Finance Committee Meeting

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Item 1 - File 84-97-3

**Department:** Department of Real Estate (DRE)

**Item:** Resolution (1) authorizing the exercise of the purchase option by the City in the lease between the City, as lessee, and Plant Properties, Inc., as lessor, for the building located at 2789 25th Street, (2) approving the form of a facilities lease related to financing the acquisition of the property; (3) approving the form of a trust agreement between the City and a bond trustee, and authorizing the selection of a bond trustee; (4) approving the execution and delivery of Certificates of Participation (COPs) to finance the property acquisition, authorizing their sale and related notices; (5) authorizing the obtaining of credit enhancement for the COPs; (6) adopting findings under the California Environmental Quality Act (CEQA) and findings pursuant to City Planning Code Section 101.1; and (7) approving the validation of the transaction and ratifying previous actions taken in connection with the transaction.

**Location of Building:** C-MED Building located at 2789 25th Street, at Potrero Avenue

**Planned Uses of  
Building:**

Dispatch facility for Fire and Paramedic Services, to be administered by the San Francisco Fire Department (SFFD) starting July 1, 1997. (Currently a dispatch facility exclusively for Paramedic Services is located in the subject building.) Following completion of the City's new Turk Street Combined Emergency Communications Center, scheduled to open in July 1999, the existing dispatch facility at 2789 25th Street is planned to serve as the backup to the new Combined Emergency Communications Center.

Additional building space will be used for offices to accommodate various Department of Public Health (DPH) functions, including the Regional Poison Control Center, San Francisco General Hospital (SFGH) Information Services and SFGH Human Resources (i.e. personnel) Offices.

**Present Owner:** Plant Properties, Inc.

**Lessor/Trustee  
for COP financing:**

Financial institution anticipated to be determined by competitive bid (see Comment No. 1). As explained below, the City would assign its rights to purchase the property to a trustee, and lease the building back for an estimated 20 years, at which time the trustee would transfer fee title to the property back to the City.

**Size:** Building: 64,189 square feet, Parking: 21,159 square feet

<b>Purchase Price:</b>	Appraised Value of Building (See Total Costs below for basis of appraisal value):	\$7,332,000
	Buyout of Remaining Seismic Payments (see below):	692,000
	Closing Costs:	<u>50,000</u>
	Total Purchase Price:	\$8,074,000

**Total Estimated  
Cost of Purchase  
Including Financing  
and Related Costs:**

Not to exceed \$15,000,000. (The Mayor's Office presently estimates a total of \$10,675,000.)

**Term of Lease for  
Certificates of  
Participation  
Financing:**

Not to exceed 40 years. (The Mayor's Office presently estimates a term of 20 years)



**Source of Funds:** Sale of Certificates of Participation (COPs) to be paid back through budgeted General Fund monies for office rental for the Department of Public Health and the San Francisco Fire Department.

**Description:** In July 1990, the City entered into a ten year lease, later amended to extend for another five years, to the year 2005, of 42,709 square feet in the building located at 2789 25th Street, which is owned by Plant Properties, Inc. The subject building is generally known as the "C-MED Building," and is the current headquarters and dispatch center for the Paramedic Division of the Department of Public Health (DPH). The lease includes an option for the City to purchase the C-MED Building. The proposed resolution would authorize the City to exercise this purchase option. In addition, the proposed resolution would authorize financing of the \$8,074,000 purchase price for the building (see table above) as well as related costs of an additional \$2,601,000, for an estimated total of \$10,675,000, (not to exceed \$15,000,000) through the sale of COPs. (See Total Costs Related to Proposed Purchase, below.)

COPs are a financing technique which provides long term financing through a lease or installment sales agreement. COPs represent proportionate interests in the lease of the property, which are sold to investors. The investors would receive a return on their investment through the lease payments made by the City for the building. The City would assign its rights to purchase the property to a financial institution as trustee (see Comment No. 1), and lease the building back from the financial institution at an annual amount sufficient to service the debt on the COPs bought by the investors. At the end of the lease term (currently anticipated to be 20 years), the trustee would transfer fee title to the property back to the City.

#### Proposed Use of Space

The Board of Supervisors previously approved the transfer of the Paramedic function from the DPH to the SFFD, effective July 1, 1997. The Paramedic 8,000 square foot dispatch center at the C-MED Building will be converted to handle dispatch for fire and paramedic services. Ms. Claudine Venegas of the DRE advises that this fire/paramedic dispatch function is expected to operate in the C-MED Building for two years, until approximately July 1999.

After approximately July 1999, all emergency dispatch will be handled at the new Turk Street Combined Emergency Communications Center. According to Ms. Monique Moyer of the Mayor's Office, the 8,000 square feet of space now occupied by the fire/paramedic dispatch function in the C-MED Building is expected to be retained as the "hot backup" system to the Turk Street dispatch system. Ms. Venegas states that a hot backup system enhances the capacity of the Police, Fire and Paramedic services to handle calls and dispatch of all types of public safety services during major emergencies.

The overall proposed uses of the 64,189 square feet of building space at 2789 25th Street in the C-MED building are as follows:

<u>Proposed Long Term Uses</u>	<u>Square Feet</u>
Hot Backup Site for Emergency Dispatch	8,000
Consolidated Site for Regional Poison Control Center	3,500
San Francisco General Hospital (SFGH)	
Information Systems	8,000
SFGH Human Resources (personnel) Division	8,600
DPH Leasehold Relocations to be Determined	16,468
Leasehold Relocations of Other City Offices	
to be Determined*	<u>19,621</u>

Total Building Space: 64,189

\* According to Ms. Venegas, the C-MED Building currently has three private tenants, currently occupying 24,200 square feet, in addition to the City. Two of the private tenants, the firm of Carter Tighe, Leeming and Kajiware, and the firm of John McClaine and George Homsey, are on month-to-month leases that would be terminated upon instruction from the DPH when the City acquires the C-MED Building, according to Ms. Venegas. The third tenant, the firm of Esherick, Homsey, Dodge and Davis (Esherick), has a lease scheduled to expire on December 31, 1999. Esherick is therefore expected to continue to occupy 19,621 square feet of space, paying the City approximately \$20,000 per month, plus future CPI adjustments, or approximately \$1.02 per square foot per month, until December 31, 1999, unless the City elects to assist Esherick in relocation prior to the end of the term. At that time, Ms. Venegas advises that the space currently occupied by Esherick would be converted for use by City agencies relocating from leased space.

Ms. Venegas states that, although specific plans have not been finalized regarding which City offices would relocate from leased space to the C-MED building, the DRE is confident that the space that would become available in the C-MED building could be fully utilized by DPH agencies that are currently leasing space, and/or occupying space at SFGH that does not meet adequate seismic safety standards and therefore must be vacated by the City.

Total Costs Related to Proposed Purchase

The total estimated costs related to the proposed purchase of the 2789 25th Street C-MED Building are summarized as follows:

Appraised Value of Property:	\$7,332,000
Buyout of Remaining Seismic	
Improvements (see below)	692,000
Closing Costs	<u>50,000</u>
Purchase Price Subtotal	\$8,074,000
Building Improvements	726,000
Relocation Costs of Existing Tenants	300,000
Project Costs	275,000
Financing Costs	<u>1,300,000</u>
Other Project Costs Subtotal	\$2,601,000
Total Cost (See Attachment No. 1.)	\$10,675,000

It should be noted that the estimates shown above have been developed by the Mayor's Office for the purpose of appropriately sizing the COP authorization. Prior to actual expenditure of funds, appropriation of all needed funds by the Board of Supervisors must be obtained. The figures provided by the Mayor's Office at this time therefore provide an approximation. Attachment No. 1, provided by the Mayor's Office, shows the Sources and Uses of Project Funds. A general explanation of each expenditure item is provided as follows:

Ms. Venegas advises that the City's lease with Plant Properties, Inc. specified that, in connection with the City's purchase option, the purchase price of the property would be determined by obtaining three independent appraisals, discarding the appraisal that differed most widely from the other two appraisals, and averaging the remaining two appraisals. The appraised value of the building, as determined in this manner, is \$7,332,000.

Ms. Moyer reports that, in 1995, the current landlord, Plant Properties, Inc. carried out seismic improvements to the property at the request of the City, at a total cost of \$995,965, in order to bring the building up to the standards established in the State Health and Safety Code for new "essential services" buildings. Under a lease amendment approved by the Board of Supervisors in November, 1995 (File 64-95-12), the City agreed to repay Plant Properties, Inc. for the City's \$776,853 (78 percent) share of the cost of the seismic improvements over a period of 9 and one half years, through an adjustment to the monthly rental payment. The lease amendment further specified that, in the event that the City exercised its purchase option, the City would pay Plant Properties, Inc. the unamortized balance of the City's share of the seismic improvement costs. Therefore, the purchase price includes an additional \$692,000 to buy out the remaining seismic payments. An additional \$50,000 in closing costs is estimated by the DRE, and has been included in the purchase price.

The budget for Building Improvements total \$726,000. Ms. Moyer states that the C-MED Building will require an estimated \$75,000 in renovations to comply with requirements of the Americans with Disabilities Act (ADA) for office space that would be converted from private tenants to public tenants. An additional \$588,000 in tenant improvements to the 24,200 square feet of space currently occupied by private tenants is projected, to renovate the space to accommodate the specific needs of City agencies. The Building Improvements estimates are based on an average estimated cost of \$30 per square foot (\$30 times 24,200 equals \$726,000.)

As noted earlier, the C-MED Building currently has three private tenants, in addition to the City. Relocation costs for these tenants, totaling \$300,000, were estimated by the DRE in consultation with the San Francisco Redevelopment Agency relocations services, based on similar relocations of private tenants, according to Ms. Venegas.

Project costs, totaling \$275,000, include appraisal services (\$16,700), arbitration fees (\$10,000) related to the commencement of the purchase option, City Attorney and bond counsel costs related to negotiation of the purchase and the financing (\$90,000), DRE costs (\$58,300) and a \$100,000 project contingency.

Financing Costs of \$1,300,000 include a debt service reserve fund (\$931,585), the underwriters discount (\$64,050), and other expenses (\$304,465). Ms. Moyer advises that the other

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



expenses include estimates of expenses for rating agencies, financial advisors, bond counsel, City Attorney's services for the COP issuance, printing costs, trustee costs and bond listed above insurance. Ms. Moyer states that the consulting services have not been retained as of the writing of this report, so no information is available regarding the MBE/WBE status of consultants at this time. However, this information will be provided when the Board of Supervisors is requested to appropriate the project funds.

#### COP Payments and Operating Expenses

As stated above, Certificates of Participation are proportionate interests in the lease of the property, which are sold to investors. The City anticipates assigning its rights to purchase the property to a financial institution serving as trustee, and leasing the building back from the trustee at an annual amount sufficient to service the debt on the Certificates of Participation bought by the investors. Ms. Moyer estimates that the annual lease payment to the trustee will total approximately \$931,585, based on an average interest rate of 6.34 percent and a term of 20 years. The City will also have to pay operations and maintenance costs for the building. Such costs are estimated to increase by 3.5 percent per year, from \$174,181 in 1997 to \$334,863 in the year 2027. The total annual project budget, including the lease payment and operations and maintenance costs, would thus start at \$1,105,766 in FY 1997-98, and increase to \$1,266,448 in FY 2027-28. Attachment No. 2, provided by the Mayor's Office, shows the annual rent and annual operations and maintenance costs, and the total budget, in the columns listed under the heading "Scenario 1, Bond Amortization."

#### Financial Justification of Purchase

Ms. Moyer states that the source of funds for covering annual project debt payment for the COPs and operations and maintenance costs would be the currently budgeted funds for rental costs, operations and maintenance of the C-MED building by the City. As shown in Attachment No. 2, in the columns listed under the heading "Base Case, No Acquisition," the total annual budget of City funds related to the C-MED Building, if the City were to continue to lease the C-MED building, exceeds the total annual budget of City funds related to the C-MED building if the City purchases the building in FY 1997-98. The annual savings are shown in the last column of Attachment No. 2.

Attachment 2 shows that the City would save an estimated \$11,304,483 in nominal dollars, or a net present value of \$5,185,991 discounted at 6 percent, over the next 20 years by purchasing the C-MED Building in FY 1997-98, instead of continuing to lease the building. On a fiscal year basis, the proposed acquisition would result in an estimated savings of \$62,858 to the City in FY 1997-98. In FY 1998-99 the Mayor's Office estimates a savings of \$107,121. The projected annual savings to the City would continue to increase through the expected 20-year term of the COP financing arrangement.

**Comments:**

1. Ms. Moyer advises that the Mayor's Office has not yet selected a trustee because (1) trustee services are not yet required; and (2) there is currently only one local financial institution that fully complies with the City's Domestic Partners Ordinance, and who would therefore be eligible to bid for the trustee work. Ms. Moyer states that the Mayor's Office plans to obtain competitive bids for the trustee services approximately in August, by which time it is hoped that more financial institutions will comply with the Domestic Partners Ordinance, and therefore a competitive bidding process will be possible. The proposed resolution would approve the form of all of the documents related to the trustee, and would authorize the Mayor's Office to retain such a trustee.

2. The Planning Department has found the proposed acquisition of the C-MED Building to be in conformity with the General Plan, and categorically exempt from Environmental Review, because the proposed uses are not significantly different from the current uses in the building. The proposed resolution would adopt these findings.

3. Ms. Catherine Payer of the City Attorney's Office advises that the Facilities Lease and the Trust Agreement will contain certain indemnities that are standard in COP financing, provided by the City to the Lessor.

4. The Capital Improvement Advisory Committee (CIAC) approved the proposed purchase of the C-MED building at its meeting of March 19, 1997.

5. In summary, the proposed resolution would authorize the City to purchase the building located at 2789 25th Street, known as the C-MED building, a portion of which is currently leased by the City. The total acquisition price and related costs would not exceed \$15,000,000, and is currently



estimated by the Mayor's Office at \$10,675,000. The resolution would authorize the issuance of up to \$15,000,000 in Certificates of Participation (COPs), a financing technique which provides long term financing through the sale of proportionate interests in the property, to be repaid by the City through a lease held by a trustee, who would transfer fee title to the property to the City at the end of the lease term. The source of funds for covering annual project debt payment for the COPs and operations and maintenance costs would be the currently budgeted funds for rental costs, operations and maintenance of the C-MED building by the City.

The 64,189 square foot C-MED Building would be used as the 8,000 square foot backup emergency dispatch center during major emergencies, following the anticipated July, 1999 completion of the City's new Combined Emergency Communications Center. The subject building would also provide 56,189 square feet of office space for relocation of DPH and other City agencies, to be determined.

The Mayor's Office estimates that purchase of the building at 2789 25th Street at this time will save the City approximately \$5,185,991 in 1997 dollars over the next 20 years, compared to the cost of continuing to lease the building.

**Recommendation:**

The Budget Analyst recommends, in concept, the approval of the acquisition of the building located at 2789 25th Street. However, because the City would be required to sell debt (Certificates of Participation) in order to acquire this property, and because the Department of Public Health has not yet finalized a plan for occupancy of the building, approval of the proposed ordinance is a policy decision for the Board of Supervisors.

**A. PROJECT COST CONSIDERATIONS**

**A. Maximum Total Project Costs:** \$10,675,000  
(includes financing costs)

**B. Bond Funded Amount, if any:** 100%

**C. Sources & Uses of Project Funds:****Sources of Project Funds**

Cash from reserves, dedicated funds, etc.	\$ 0
Bond proceeds	10,675,000
Other	0
<b>Total Sources</b>	<b>\$10,675,000</b>

**Uses of Project Funds**

Purchase Price	\$8,074,000
Building improvements	726,000
Relocation Costs	300,000
Project Costs	
Appraisal Services	16,700
Arbitration Fees	10,000
City Attorney	90,000
Real Estate	58,300
Contingency	100,000
Financing Costs	
Reserve Fund	931,585
Underwriters Discount	64,050
Other	304,365
<b>Total Uses of Project Funds</b>	<b>\$10,675,000</b>

**D. Annual Payments**

Debt Service	\$931,585
Landscaping	2,304
Window Cleaning	2,464
Elevators	4,238
HVAC	4,049
Misc. Repairs	5,987
Supplies	1,362
Janitorial	50,000
Security	50,000
Utilities	40,000
Insurance	10,179
Other	3,598
<b>Annual Payment</b>	<b>\$1,105,766.00</b>

*Note that everything but debt service, utilities and security was prepared by Hanford/Healy Appraisal Company in July 1996.*

## City &amp; County of San Francisco

## C-MED Acquisition Project

## Savings Analysis - 20 Year Scenario

5/9/97

Fiscal Year	Base Case, No Acquisition				Scenario I, Bond Amortization			Savings
	Annual Rental	Seismic Repayment	Annual O&M	Total Budget	Annual Rent (D/S)	Annual O&M	Total Budget	Annual Savings
1997	\$ 894,158	\$ 132,153	94,305	\$ 1,120,616	n/a	n/a	n/a	N/A
1998	938,866	132,153	97,606	1,168,624	931,585	174,181	1,105,766	62,858
1999	985,809	132,153	101,022	1,218,983	931,585	180,277	1,111,862	107,121
2000	1,035,099	132,153	104,558	1,271,810	931,585	186,587	1,118,172	153,638
2001	1,086,854	132,153	108,217	1,327,224	931,585	193,118	1,124,703	202,522
2002	1,141,197	132,153	112,005	1,385,354	931,585	199,877	1,131,462	253,893
2003	1,198,257	132,153	115,925	1,446,334	931,585	206,872	1,138,457	307,877
2004	1,258,170	132,153	119,982	1,510,305	931,585	214,113	1,145,698	364,607
2005	1,321,078	132,152	124,182	1,577,412	931,585	221,607	1,153,192	424,220
2006	1,387,132		128,528	1,515,660	931,585	229,363	1,160,948	354,712
2007	1,456,489		133,027	1,589,515	931,585	237,391	1,168,976	420,539
2008	1,529,313		137,682	1,666,996	931,585	245,700	1,177,285	489,711
2009	1,605,779		142,501	1,748,280	931,585	254,299	1,185,884	562,396
2010	1,686,068		147,489	1,833,557	931,585	263,199	1,194,784	638,772
2011	1,770,371		152,651	1,923,022	931,585	272,411	1,203,996	719,026
2012	1,858,890		157,994	2,016,884	931,585	281,946	1,213,531	803,353
2013	1,951,834		163,524	2,115,358	931,585	291,814	1,223,399	891,959
2014	2,049,426		169,247	2,218,673	931,585	302,027	1,233,612	985,060
2015	2,151,897		175,171	2,327,068	931,585	312,598	1,244,183	1,082,884
2016	2,259,492		181,301	2,440,794	931,585	323,539	1,255,124	1,185,669
2017	2,372,467		187,647	2,560,114	931,585	334,863	1,266,448	1,293,666
31,044,488 • 1,057,220 • 2,760,257 • 34,861,966 •					18,631,700	4,925,783	23,557,483	11,304,483
*Doesn't include FY 96-97					Net Present Value (@ 6.0%):			55,185,991
1997 Annual Rental Cost / S.F.					\$26.24	Lifetime Average of Annual Rental Cost/S.F.		
Lifetime Average of Annual Rental Cost/S.F.					\$40.81	\$ 13.80		

Base Case Assumptions

Annual Rent: accretes at 5% / year pursuant to lease  
 Seismic Payment: Stated pursuant to lease  
 Square Footage: 42,709

Scenario I Assumptions

Annual Rent: sized to accommodate savings  
 O&M: accretes at 3.5% per year  
 Square Footage: 85,348



Item 2 - File 25-97-7

**Department:** Department of Parking and Traffic (DPT)

**Item:** Resolution approving the Controller's certification that Parking Meter Revenue Collection Services can continue to be practically performed by a private contractor at a lower cost for Fiscal Year 1997-98 than if work were performed by City employees.

**Services to be Performed:** Parking Meter Revenue Collection Services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for Parking Meter Revenue Collection Services for FY 1997-98 would result in estimated savings as follows:

	Lowest Salary <u>Step</u>	Highest Salary <u>Step</u>
<u>City-Operated Service Costs</u>		
Salaries	\$578,523	\$683,585
Fringe Benefits	161,458	177,554
Operating Costs	<u>49,284</u>	<u>49,284</u>
Total	\$789,265	\$910,423
 <u>Contractual Services Cost</u>	 <u>423,360</u>	 <u>423,360</u>
 <u>Estimated Savings</u>	 <u>\$365,905</u>	 <u>\$487,063</u>

**Comments:** 1. Parking Meter Revenue Collection Services were first certified as required by Charter Section 10.104 in FY 1978-79 and have been continuously provided by an outside contractor since then.

2. The Department of Parking and Traffic's current contract for parking meter revenue collection services is with J & L Associates, a WBE firm, and expires on June 30, 1997. The renewed one-year contract for parking meter revenue collection services with J & L Associates commences on July 1, 1997 and expires on June 30, 1998.

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3. The Contractual Services Cost of \$423,360 used for the purpose of this analysis is the current contractor's estimate of providing parking meter revenue collection services for FY 1997-98.

4. The Department of Parking and Traffic reports that J & L Associates provides health care benefits to its employees and their spouses, and will begin to provide health care benefits to the domestic partners of its employees effective July 1, 1997.

5. The Controller's supplemental questionnaire with the Department of Parking and Traffic's responses is attached.

**Recommendation:** Approve the proposed resolution.



**CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE**DEPARTMENT: PARKING & TRAFFICCONTRACT SERVICES: PARKING METER REVENUE COLLECTION SERVICESCONTRACT PERIOD: JULY 1, 1997 - JUNE 30, 2000

- (1) Who performed the activity/service prior to contracting out?

San Francisco Tax Collector's Office.

- (2) How many City employees were laid off as a result of contracting out?

None

- (3) Explain the disposition of employees if they were not laid off.

Not Applicable

- (4) What percentage of City employees' time is spent of services to be contracted out?

None

- (5) How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

Services have been contracted out since March 1978. This will be an ongoing (3 year period) request for contracting out.

- (6) What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

The first fiscal year 1978 - 1979. It has been certified upon expiration date of contracted period.

- (7) How will the services meet the goals of your MBE/WBE Action Plan?

The contract will bid; in accordance with the City's Purchasing Department. The Human Rights Commission shall assist and take all reasonable steps for all available businesses to have equal opportunity to compete for this contract

- (8) Does the proposed contract require that the contractor provide health insurance for its employees?

Even if not required, are health benefits provided?

This contract does not require the contractor to provide health insurance.

The current contractor provides medical insurance, however it does not provide dental insurance.

- (9) Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

The current contractor provides medical insurance for employees and spouses after 90 days of employment. This contract requires same benefits as provided by the Domestic Partners Ordinance.

Department Representative: Adrienne Frazier, Parking Meter Collections Manager

Telephone Number: 415-715-4063



Item 3 - File 93-97-35

**Department:** Human Resources Department

**Item:** Ordinance adopting and implementing the provisions of an arbitrator's award, which sets the compensation of the classifications represented by the Municipal Executives Association (MEA) for Bargaining Units M (Management employees) and EM (Executive Management employees) for the period of July 1, 1996 through June 30, 1998.

**Description:** According to Ms Alice Villagomez of the Human Resources Department (HRD), the Municipal Executives Association (MEA) and the City entered into a Memorandum of Understanding (MOU) effective for the three-year period of July 1, 1995 through June 30, 1998. Although the parties to the MOU agreed that no wage increase would be granted for FY 1996-97, the MOU provided that wages would initially be adjusted for Fiscal Year 1996-97 retroactive to July 1, 1996 based on the outcome of a planned Classification and Compensation Study (Study). The MOU further provided that if the Study was not completed by January 1, 1997, the MOU could be reopened for negotiation of a retroactive wage increase. Ms. Villagomez reports that because the HRD did not have sufficient time to complete the Study, negotiations were reopened in March of 1997. The HRD and the MEA were unable to reach an agreement, so the matter was submitted to binding arbitration, as provided in the MOU.

This arbitration award covers 510 management and executive management employees, including City and County department heads, under 341 different classifications. A comprehensive list of the 341 classifications affected by this arbitration settlement is on file with the Clerk of the Board of Supervisors.

This proposed ordinance would adopt and implement the provisions of the arbitrator's award, which was based on the final offer presented by the HRD, as follows:

(1) General Base Wage Increase

A two percent base wage increase retroactive to July 1, 1996 would be implemented for the 341 classifications represented by the MEA, based on earned salaries in FY 1996-97;

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**BUDGET ANALYST**

(2) Internal Adjustments

According to Ms. Villagomez, internal adjustment A described below was included in the HRD's final offer primarily to restore the salary differential between the three directors and their subordinates. Ms. Villagomez reports that internal adjustment B described below was included in the HRD's final offer because one of the expected outcomes of the Study would have been such an adjustment and that the adjustment was considered by the HRD to be fair.

(A) The salary steps of Classification 1168 Director of Health, Classification 3670 City Librarian, and Classification 9278 Director of Airports would be adjusted, as shown below, effective July 1, 1997:

<u>Classification</u>	Current Annual Salary		Proposed Annual Salary	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
1168 Director of Health	\$112,517	\$136,790	\$139,531	\$178,054
3670 City Librarian	86,835	105,548	86,835	125,254
9278 Director of Airports	107,741	130,970	107,741	140,105

The salary schedule for Classification 1168 Director of Health would be extended from five steps to six steps, the salary schedule for Classification 3670 City Librarian would be extended from five steps to nine steps, and the salary schedule for Classification 9278 Director of Airports would be extended from five steps to seven steps. Advancement above step five for the City Librarian and the Director of Airports would be subject to the approval of the Mayor.

The internal adjustment for Classification 1168 Director of Health would result in a 24 to 30 percent increase in salary. The internal adjustments for Classifications 3670 and 9278 would result in a 19 and 7 percent increase, respectively, from the salary at the current top step (see Attachment I).

(B) The 20 employees who have not achieved permanent status in their current class would receive a one step increase in base salary, retroactive to July 1, 1996, in addition to the two percent wage increase described above (see Attachment II).

**Comments:**

1. As shown in Attachment III, the Controller estimates that the two percent base salary increase would result in an annual cost increase for FY 1996-97 and FY 1997-98 of approximately \$970,000. The Controller estimates that the two internal adjustments (A and B described above) would result in an increase of approximately \$35,000 in FY 1996-97 and \$110,000 in FY 1997-98. The Budget Analyst concurs with the Controller's estimates, as shown below:

<u>Provision</u>	<u>FY 1996-97</u>	<u>FY 1997-98</u>
Two percent wage increase	\$970,000	\$970,000
Internal Adjustment A	0	75,000
Internal Adjustment B	<u>35,000</u>	<u>35,000</u>
Total	\$1,005,000	\$1,080,000

The total cumulative costs for FY 1996-97 through FY 1997-98 would be \$2,085,000.

2. According to Ms. Villagomez, after the scope and methodology are better determined, the HRD still plans to conduct the Classification and Compensation Study of these MEA classifications.

3. According to Ms. Vicki Clayton of the City Attorney's Office, in accordance with Charter Section A 8.409-4, the decision of the arbitrator is final and binding upon all the parties to the dispute, unless the award is procedurally or legally invalid. Ms. Clayton reports that there are no known provisions of the subject award that are procedurally or legally invalid.

**Recommendation:** Approve the proposed ordinance.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

comparison

Attachment I

	July 1, 1996		July 1, 1997		Percent Change	
	Low	High	Low	High	Low	High
1168 DIRECTOR OF HEALTH	\$4,311	\$5,241	\$5,346	\$6,822	24%	30%
3670 CITY LIBRARIAN	\$3,327	\$4,044	\$3,327	\$4,799	0%	19%
9278 DIRECTOR OF AIRPORTS	\$4,128	\$5,018	\$4,128	\$5,368	0%	7%



**MEA - Management Bargaining Units: Internal Adjustments**

Internal salary adjustments needed to complete the partial adjustments granted for Fiscal Year 94/95.

<b>Class Title</b>	<b>Class Number</b>	<b>Position Count</b>	<b>Current Bi-Weekly Salary</b>	<b>Proposed Bi-Weekly Salary</b>	<b>Bi-Weekly Salary Difference</b>	<b>Total Difference</b>	<b>Percent Difference</b>
Director, Dept. of Parking & Traffic	1101	1	\$4,145	\$4,188	\$43	\$43	1.0%
Director, Convention Facilities	1103	1	\$3,633	\$3,669	\$36	\$36	1.0%
Director, Animal Care & Control	1120	1	\$3,315	\$3,348	\$33	\$33	1.0%
Deputy Director, Animal Care & Control	1121	1	\$2,342	\$2,365	\$23	\$23	1.0%
Assistant County Clerk/Recorder	1133	1	\$2,274	\$2,297	\$23	\$23	1.0%
Ge. Mgr., Dept. Elect. & Telecom.	1150	1	\$3,724	\$3,777	\$53	\$53	1.5%
Budget & Fiscal Operations Manager	1683	1	\$3,005	\$3,047	\$42	\$42	1.5%
Administration Laguna Honda Hospital	2182	1	\$4,869	\$4,915	\$46	\$46	1.0%
Exec. Secretary, Ge. Mgr. Rec. Park	3110	1	\$2,166	\$2,188	\$22	\$22	1.0%
Asst. Superintendent Streets & Sewers	5135	3	\$3,064	\$3,187	\$123	\$369	4.0%
Superintendent, Streets & Sewers	5136	1	\$3,313	\$3,346	\$33	\$33	1.0%
Supt. Street Environmental Services	5170	1	\$3,313	\$3,346	\$33	\$33	1.0%
Asst. Supt. Street Environmental Services	5173	3	\$3,064	\$3,187	\$123	\$369	4.0%
Chief, Street Use & Mapping	5191	1	\$3,217	\$3,346	\$129	\$129	4.0%
Superintendent, Track Maintenance	7283	2	\$2,342	\$2,354	\$12	\$24	0.5%
Positions Total:		20					
Bi-Weekly Total Difference:						\$1,278	
Total Annual Difference:						\$33,379	



CITY AND COUNTY OF SAN FRANCISCO

Attachment III

OFFICE OF THE CONTROLLER

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

May 5, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Municipal Executive Association (MEA) Arbitration Award

Dear Mr. Taylor:

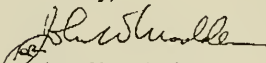
In accordance with Ordinance 92-94, I am submitting a cost analysis of the proposed arbitration award for fiscal year 1996-97. This ordinance affects approximately 500 employees with a salary base of approximately \$42 million.

The arbitration award would result in a 2% salary increase retroactive to July 1, 1996. This provision would result in an incremental annual cost increase of about \$970,000 in 1996-97 as well as retroactive step increases for provisional employees worth approximately \$35,000.

The award also allows for salary adjustment for the Director of Health, Airports and the Library. Given approval of the Mayor, the incremental cost of these provisions would be approximately \$75,000 in 1997-98.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

Attachment

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Item 4 - File 101-96-68

**Department:** District Attorney's Office

**Item:** Ordinance appropriating \$55,000 from the General Fund for litigation expenses for FY 1996-97.

**Amount:** \$55,000

**Source of Funds:** General Fund

**Description:** According to Ms. Teresa Serata of the District Attorney's Office, this proposed supplemental appropriation request of \$55,000 would pay for unusual litigation costs which were not anticipated in the District Attorney's Office's FY 1996-97 budget. Specifically, Ms. Serata reports that \$30,000 of the \$55,000 request would fund the cost of placing three witnesses in a major homicide case in protective custody, and \$25,000 of the request would cover the cost of highly specialized toxicological examinations performed by outside experts related to the investigation of another case.

**Comments:** 1. According to Ms. Serata, \$30,000 of this request will cover the four month period from March 1, 1997 through June 30, 1997 for protective custody expenses for three witnesses to a major homicide. Ms. Serata reports that these witnesses will need to remain in protective custody outside of San Francisco during FY 1997-98 and funds to cover those future expenses have been requested in the District Attorney's FY 1997-98. According to the District Attorney's Office, the requested \$30,000 for protective custody expenses would provide lodging at approximately \$63 per day, per witness, and a stipend for meals and incidental costs at approximately \$33 per day, per witness.

According to the daily expenditures described above, the District Attorney's Office will expend a total of \$35,136 over the four month period of March 1, 1997 through June 30, 1997 (122 days x \$96 per day x 3 witnesses). Ms. Serata reports that the District Attorney's Office is only requesting \$30,000 of the \$35,136 needed to pay for witness protection because approximately \$5,136 in FY 1996-97 expenses will be billed to the District Attorney's Office in FY 1997-98, and that those expenditures have been requested in the District Attorney's FY 1997-98 budget.

2. The Budget Analyst has reviewed the \$55,000 contract for toxicological examinations. This contract is based on 275 hours at an average hourly rate of \$200. Ms Serata states that \$30,000 (\$55,000 contract less \$25,000 for this subject

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request) of this cost was covered by existing budgeted funds in the District Attorney's FY 1996-97 budget, leaving a balance of \$25,000.

3. Based on the Controller's records, the Budget Analyst has made the following analysis of the projected budget deficiency in litigation expenses:

	Amount Approved in FY 1996-97 <u>Budget</u>	Actual Expenditures from 7/1/96 through <u>4/30/97</u>	Projected Expenditures from 5/1/97 through <u>6/30/97</u>	Project Budget Surplus (Deficiency)	Amount <u>Requested</u>	Amount Recommended by Budget Analyst
Litigation Expenses	\$193,000	\$171,808	\$89,362 <sup>1</sup>	(\$68,170)	\$55,000	\$55,000

The Budget Analyst notes that a budget deficiency in the amount of \$68,170 is projected for the District Attorney's Office's litigation expenses budget. If this proposed supplemental appropriation is approved, a deficiency in the amount of \$13,170 would still remain. Ms. Serata reports that the \$13,170 deficiency will be absorbed from existing funds in the District Attorney's FY 1996-97 budget.

**Recommendation:** Approve the supplemental appropriation ordinance.

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<sup>1</sup> For the past 10 months (7/1/96 through 4/30/97), the District Attorney's Office has expended an average of \$17,181 per month for litigation costs. Continuing at this rate of spending, the District Attorney's Office will spend \$34,362, not including the \$55,000 in costs included in this proposed supplemental request, in May and June combined. Taking in to account the costs associated with the subject supplemental request, total litigation expenditures from the period 5/1/97 through 6/3/97 are projected to be \$89,362 (\$34,362 + \$55,000).

Item 5 - File 101-96-69

**Department:** Juvenile Probation Department

**Item:** Ordinance appropriating \$472,209 in State funds for Temporary Salaries, Overtime, Materials and Supplies, contract programs, equipment, and facilities maintenance and repair for Log Cabin Ranch; placing \$118,222 on reserve.

**Amount:** \$472,209

**Source of Funds:** State AB1483 California Youth Authority Funds

**Description:** The Juvenile Probation Department's Log Cabin Ranch, located approximately 60 miles south of the City near the town of La Honda, is a detention facility for male juveniles. Log Cabin Ranch currently serves an average of 40 juveniles who are referred to the facility through the court system. This request of \$472,209 would be used to fund \$254,166 in Temporary Salaries, Overtime, Materials and Supplies, as well as to provide \$218,043 for needed Contractual Services, Equipment, and Facilities Maintenance and Repairs at Log Cabin Ranch.

This request would be funded with State AB1483 California Youth Authority funds. Ms. Sandy Brown-Richardson of the Department of Juvenile Probation advises that these funds are restricted to funding programs and operating expenses at the Log Cabin Ranch facility only.

**Budget:** The budget for the requested supplemental appropriation is as follows:

**Temporary Salaries, Overtime, and Materials  
and Supplies** **\$254,166**

The Department is requesting \$254,166 for 9.1 pay periods, from February 21, 1997 through June 30, 1997, including \$121,339 for Temporary Salaries, \$13,350 for Overtime, and \$119,477 for Materials and Supplies at Log Cabin Ranch.

According to Ms. Brown-Richardson, the Juvenile Probation Department has projected a budgetary shortfall in its department-wide FY 1996-97 budget. This requested \$254,166 would be allocated to pay, in full, for 9.1 pay periods of operating expenses at Log Cabin Ranch for purposes of freeing up \$254,166 of General Fund monies to be used to resolve the department-wide budgetary shortfall (See Comment No. 1).

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**Facilities Maintenance and Repair** **\$77,698**

*Repair of Fire Pump House Controls* **\$15,000**

This project includes the replacement of the pump, compressor and electrical controls, in order to comply with fire safely regulations. The amount of \$15,000 represents only the cost of materials. The Department advises that the Department of Public Works (DPW) will perform the necessary work under a workorder, which will be paid for by funds included in the Juvenile Probation Department's facilities maintenance budget.

*Emergency Power Connections* **\$45,000**

This project would include: (1) the installation of 600 feet of conduit to connect the administration building, school, craft building and maintenance shop to a main generator; and (2) install a new transfer switch with three main breakers for the administration building, maintenance shops and laundry room. Currently, only the facility's kitchen, dormitory and recreation area are connected to the generator. The budget for this project is as follows:

DPW Workorder

One Class 7238 Electrician Supervisor (40 hours @ \$59.96/hour)	\$2,398
Two Class 7345 Electricians (320 total hours @ \$53.08 per hour)	16,986
Two Class 7311 Cement Masons (200 hours at \$43.88 per hour)	8,776
Materials	15,348
Contingency	<u>1,492</u>
Total	\$45,000

*Water Softener System Replacement* **\$17,698**

This project would provide for the installation of a new water softener system. According to the Department, the current system has been reported as deficient by the Department of Public Health (DPH). The replacement system would help to protect the heating boiler, kitchen pipes and laundry equipment. The budget for this project is as follows:

DPW Workorder

Two Class 7347 Plumbers (120 hours @ \$57.65 per hour)	\$ 6,918
Materials	9,400
Contingency	<u>1,380</u>
Total	\$17,698



**Equipment** **\$22,123**

*Laundry Equipment Replacement* **\$10,198**

According to the Department, the commercial washer and dryer in Log Cabin Ranch's laundry facility needs replacement. This equipment was installed in 1980 and requires extensive maintenance due to frequent breakdowns. The amount of \$10,198 includes \$6,995 for a washer, \$2,408 for a dryer, and \$795 for installation and removal of the old washer and dryer. The Department reports that these prices are vendor quotes.

*Emergency Satellite Telephone System* **\$11,925**

This portable telephone system would be used for emergency communications when telephone service is interrupted by storms or other conditions. The Department advises that, during storms, telephone service is frequently interrupted and that reliable telephone service is needed to ensure the safety of youth and staff. Mr. Larry Garde of the Department of Telecommunications and Information Services advises that standard land-based cellular telephone services in the area where Log Cabin Ranch is located is very limited. According to Mr. Garde, there is not a more viable alternative to a satellite cellular telephone system. Mr. Garde reports that the requested amount of \$11,925 is based on a vendor quote.

**Contractual Services** **\$118,222**

*Vocational Program* **\$19,222**

Funds would be used to pay for vocational program services such as landscaping, carpentry, culinary arts. According to the Department, the specific program has not as yet been determined.

*Aftercare Program* **\$99,000**

This program would provide 75 male detainees with a spectrum of services to ease their return to their communities. These services will be provided by a non-residential community-based organization and will include: (1) family counseling; (2) assistance in staying in school; (3) job preparedness and training; (4) health and mental health services; and (5) mentoring and other related services which will assist the youth and his family. The Department advises that a contractor has not yet been selected to provide these program services.

**TOTAL** **\$472,209**

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**Comments:**

1. The Controller's Office's eight-month expenditure report projects a department-wide budgetary shortfall in the Juvenile Probation Department in FY 1996-97 of \$215,000. As noted above, the Department is requesting \$254,166 to fund, in full, 9.1 pay periods of certain operations at Log Cabin Ranch (Temporary Salaries, Overtime, Materials and Supplies). If this request for State funds is approved, the General Fund monies of \$254,166, previously allocated to fund such operating expenses at Log Cabin Ranch in the Department's FY 1996-97 budget, will be freed up to cover the department-wide budgetary shortfall.

2. The proposed legislation contains a reserve in the amount of \$118,222 for Contractual Services pending the submission of budget details.

**Recommendations:** Approve the proposed ordinance.

Item 6 - File 101-96-70

**Department:** Public Defender

**Item:** Supplemental appropriation for salaries and fringe benefits to address the projected budget shortfall for FY 1996-97.

**Amount:** \$140,000

**Source of Funds:** Trial Court Fee Revenue

**Description:** The proposed supplemental appropriation would be used to fund salaries and fringe benefit costs associated with lower than planned attrition rates (salary savings).

**Budget:** The Public Defender's Office FY 1996-97 budget reflects a shortfall of \$161,181 in salaries and fringe benefit expenses as shown below:

	Approved FY 1996-97 Budget	Actual Expenditures from 7/1/96 thru 4/18/97	Projected Expenditures from 4/18/97 thru 6/30/97	Total Projected Expenditures	Projected Budget Deficiency
Salaries	\$7,007,314	\$5,734,205	\$1,380,249	\$7,114,454	\$107,140
Fringe Benefits	<u>1,292,344</u>	<u>1,037,909</u>	<u>308,476</u>	<u>1,346,385</u>	<u>54,041</u>
Total	\$8,299,658	\$6,772,114	\$1,688,725	\$8,460,839	\$161,181

The Public Defender's Office reports that the additional projected shortfall of \$21,181 (projected shortfall of \$161,181 less this subject \$140,000 supplemental request) can be funded by not filling two vacant attorney positions through the remainder of FY 1996-97.

**Comments:**

1. The funding source for the proposed supplemental appropriation, the Superior Court Fee Revenue, is included in the Trial Courts budget to retain private counsel for indigent cases determined to be conflicts-of-interest for the Public Defender's Office. According to Ms. Kate Harrison of the Trial Courts, the Trial Courts included approximately \$10 million in this account for FY 1996-97. Ms. Harrison estimates there will be an \$840,000 surplus in this account as of June 30, 1997. This \$840,000 budgetary surplus is a result of a reduction in the overall felony caseload, a reduction of approximately 13 percent in the costs of the private counsel and more scrutiny by the Public Defender's Office regarding which cases are

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conflict-of-interest cases, such that the Public Defender's Office is handling approximately 16 percent more of these cases on an in-house basis. As a result, Ms. Harrison reports that the Trial Courts proposed FY 1997-98 budget will include a reduction in this conflicts-of-interest account.

2. Mr. Peter Keane of the Public Defender's Office reports that a total of \$407,087 was included by the Mayor's Office in the Department's FY 1996-97 budget as required salary savings. This compares to a total of \$395,779 of required salary savings for FY 1995-96. However, Mr. Keane reports that in FY 1995-96, the Public Defender's Office had several employees who took leaves of absence and the Department had a higher turnover rate than normal. Such high rates of employee vacancies and turnover did not occur in FY 1996-97, resulting in the Public Defender's Office not achieving their budgeted salary savings and accruing an estimated shortfall in their salary and fringe benefit accounts of \$161,181.

**Recommendation:** Approve the proposed ordinance.

Item 7 - File 101-96-72

**Department:** Mayor's Office

**Item:** Ordinance appropriating \$66,000 to reimburse the Community United Against Violence (CUAV) for costs of security services associated with a 1996 Halloween event; providing for ratification of actions previously taken.

**Amount:** \$66,000

**Source of Funds:** General Fund

**Description:** This supplemental appropriation would fund \$66,000 in reimbursement to Community United Against Violence (CUAV) for security services provided at a October 31, 1996 Halloween event which took place at the Civic Center Plaza. CUAV is a non-profit organization whose mission is to prevent violence against lesbians, gay men, bisexuals and transgender people.

According to Mr. Steve Kawa of the Mayor's Office, CUAV acted as a lead sponsor of the Halloween event in 1996. Mr. Kawa advises that CUAV has been working with the City to promote safety at the Halloween event since 1979 and that CUAV's efforts last year were complicated by the City's request to move the annual event from Castro Street to the Civic Center, as well as the Police Department's request to open several gates during the event. According to Mr. Kawa, at one point during the night of the event, the crowd waiting to pay admission fees at the gates leading into the event grew so large that the Police Department directed CUAV to open the gates and allow the crowd in without paying admission. Mr. Kawa advises that, due to these factors, CUAV received lower than expected revenues and incurred additional costs.

The subject supplemental request would reimburse CUAV for a portion of the costs for security-related services at the 1996 Halloween event sponsored by CUAV.

**Comments:** 1. Attachment #1, provided by the Mayor's Office lists security-related expenditures for the Halloween event, totaling \$88,922. Of the amount of \$88,922, this proposed supplemental appropriation would be used to reimburse \$66,000 of these expenditures, or approximately 74 percent of the reported security-related costs incurred by CUAV.

2. Attachment #2, provided by the Mayor's Office, describes the CUAV overall budget for the Halloween event. As shown, total expenditures for the event were reported at \$327,204,

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Memo to Finance Committee  
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and revenues were reported at \$142,699, resulting in expenditures exceeding costs by \$184,505. The proposed supplemental appropriation of \$66,000 represents approximately 20 percent of the total cost of the event (\$327,204), and would offset approximately 36 percent of CUAV's reported loss of \$184,505.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

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**Halloween San Francisco 1996****Security Related Expenditures**

Vendor	Description	Total Cost	City Reimbursement
Sports & Graphics	Security Sweatshirts	14,035	
White's Electronics	Wands	766	766
Nutritious Delicious Foods	Guard Meals	780	
Deputy Sheriff's Association	Armed Security	2,460	2,460
MECA	Civic Center Security	23,754	23,754
Lionheart Catering	Guard Meals	500	
National Rent-A-Fence	Fencing	3,633	3,633
StaffPro	Castro Security	4,912	4,912
Misc Individuals	Headquarters Security	2,534	2,534
A-1 Sanitation	Portable Toilets	5,783	5,783
McCune	Megaphones	375	
Dept of Public Health	Emergency Medical	6,700	6,700
Fire Department	Fire Department Fees	856	856
Corn Tech	Radios	2,107	
ArtNet	Sign Rigging	350	
Stacey Hallock	Coordination	750	
Loomis Armored Car	Armored Car	1,050	1,050
Budget Signs	Banners	6,577	6,577
Everett Middle School	Security Parking	100	100
CUAV	Guard/Volun Coordination	6,900	6,900
CUAV	Production Assistant	4,000	
	<b>TOTAL</b>	<b>88,922</b>	<b>66,025</b>

**HALLOWEEN SAN FRANCISCO 1996**  
**Actual Income/Expenses**

**Revenues**

Net Concessions Profit	20,711	
Civic Center Gate	83,342	
Castro Donations	16,000	
Corporate Sponsors*	17,500	
Miscellaneous*	5,146	
<b>Total Revenue</b>		<b>142,699</b>

**Expenses**

Promotion	42,028	
Security/Volunteers	88,922	
Entertainment	159,414	
Logistical Support	36,840	
<b>Total Expenses</b>		<b>327,204</b>
<b>Total Profit/(Loss)</b>		<b>(184,505)</b>

\*Revenue figures are not yet final, but fluctuations will be minor.

\*\*Logistical support includes insurance, toilet rental, ticketing expenses, etc.

All figures are subject to minor change.

Item 8 - Files 101-96-73

**Department:** Division of Mental Health Services  
Department of Public Health

**Item:** Ordinance appropriating \$400,000 of State Revenues for other medical services to allow the Department of Public Health, Division of Mental Health Services, to provide additional children and youth crises services.

**Amount:** \$400,000

**Source of Funds:** SB 90 Funds (State reimbursement for providing services as mandated by AB 3632 which provides mental health, occupational and physical therapy services to Special Education students who meet the eligibility criteria, at no cost to parent or child).

**Description:** The proposed supplemental appropriations of \$400,000 for the period from June 1, 1997 to June 30, 1997 would provide expanded child crisis programs, specifically to create a 24-hour family crisis line and additional intensive case management/crisis services for children between ages 8 to 11 and youth between ages 12 to 18 with mental health problems. The goal of the crisis intervention services is to reduce the rate of readmission into the Youth Guidance Center of the Juvenile Probations Department.

At present, the City does not have the capacity to provide short-term, community-based, 24-hour, multi-systems services for youth in the juvenile justice system who have been identified as having mental health problems. Current services for this target group only include detainment, incarceration at the Youth Guidance Center and then release to the community.

Comprehensive Child Crisis Services (CCCS), a unit within the Division of Mental Health Services at DPH, currently provides the following services for San Francisco children and youth: 24 hour, mobile mental health crisis intervention, triage (referring the children or youth to other services to meet their most urgent need), and referral; short-term, mobile mental health follow-up treatment including individual, family and medication services for up to two months; 5150 evaluations which are to determine the need for involuntary hospitalization; and authorization of funding for psychiatric inpatient services for these involuntary hospitalizations.

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With the proposed supplemental appropriation, DPH proposes to expand these crisis intervention services to target children and youth in the juvenile justice system. CCCS already has a strong working relationship with the Juvenile Probation Department and its staff from the Youth Guidance Center. The departments meet on a weekly basis to provide mental health consultation and improve access to DPH mental health services for children and youth who have mental health problems and are either being placed out of home or released to the community by the Juvenile Probation Department.

Specifically, DPH proposes to develop a 24-hour Family Crisis Line and Short-Term Multi-System Intervention Team which will be operated by CCCS. CCCS would also provide 24 hour intensive case management services for up to 6 months. After 6 months, the children and youth would receive step down services which try to link the children and youth to less intensive services with community-based organizations. While the length with the CCCS Multi-Systems Intervention Team will be no longer than 6 months, children and youth and their families can always access the 24 hour Family Crisis Line for help after discharge. CCCS would serve as a bridge between the Youth Guidance Center and community-based organizations and would accept referrals from children and youth who are given the telephone number for the CCCS Crisis Line, from community-based organizations working with children and youth in need of 24 hour mental health crises intervention and intensive case management services, from Probation Officers, staff of Special Program for Youth and from Court-appointed Judges.

**Budget:**

A detailed budget requested by the Division of Mental Health Services at DPH is shown in the Attachment I. A summary of that budget is as follows:

Personnel	\$43,209
Operating Expenses	320,427
Indirect Costs (10%)	<u>36,364</u>
<b>TOTAL</b>	<b>\$400,000</b>

According to Ms. Sai-Ling Chan-Sew, Director of Children's Services at DPH, most of the budget for operating expenses is for start-up costs (see Comment No. 2).

**Comments:**

1. According to Ms. Chan-Sew, funding for personnel for the expanded child crisis program will be for contractual services to Westside Community Health, Inc., a nonprofit

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organization, which was selected on a sole-source basis because of their expertise working in the area of child crisis. The contracted personnel will be working at the Comprehensive Child Crisis Services unit of DPH with DPH staff.

2. According to Ms. Chan-Sew, \$303,095 of the \$320,427 budget for operating expenses will be for start-up costs. These costs include: \$4,250 for phone installation, \$4,050 for phone sets, \$19,300 for furniture, \$4,500 for supplies and materials, \$10,000 for training, \$30,000 for brochures, \$136,700 for computers, \$5,000 for equipment, and \$89,295 for space renovations.

3. According to Ms. Chan-Sew, the purpose of the training will be to train both new and existing staff at CCCS on working with children and youth who have been involved with the criminal justice system. Ms. Chan-Sew states that Mr. Scott Haggler, a consultant, was selected on a sole source basis because of his expertise in providing child crisis services to children and youth in the juvenile justice system. He will be performing a two-day training workshop. The proposed budget for the training, as provided by DPH, is shown in Attachment II.

4. According to Ms. Chan-Sew, the budget for space renovations are to be used for costs associated with moving the CCCS office from its current location at 3450 3rd Street to Bayview Plaza located at 3801 3rd Street and with setting up the new office.

5. As of the writing of this report, budget details for the space renovations have not yet been submitted. In addition, EIPSC approval for the computer-related equipment has also not yet been obtained. Therefore, the resolution should be amended to reserve funds budgeted for computer-related expenses in the amount of \$136,700, and for space renovations in the amount of \$89,295, for a total of \$225,995 pending submission by the Department of Public Health to the Board of Supervisors of such additional information.

6. According to Ms. Chan-Sew, DPH anticipates receiving \$400,000 in SB 90 funds under AB 3632 for FY 1997-98 which would be use to maintain the expanded child crisis program. Of the \$400,000, \$276,007 would be budgeted for personnel expenses, \$87,629 would be budgeted for operating expenses, and \$36,364 would be budgeted for indirect costs as shown in the Attachment I.

- Recommendation:**
1. In accordance with Comment No. 5, amend the proposed ordinance to reserve the funds budgeted for computer-related expenses, and space renovations in the amount of \$225,995 pending submission by the Department of Public Health to the Board of Supervisors of the additional information requested.
  2. Approve the proposed ordinance as amended.



**Child Crisis Expanded Program**  
**Period: June 1, 1997 - June 30, 1997**  
**SB 90/Supplemental**

<b>I. Personnel</b>	<b>Current year cost</b>	<b>Annual year cost</b>
	<b>6/1/97-6/30/97</b>	<b>7/1/97-6/30/98</b>
Salary	13,072	193,232
Fringe Benefits	3,137	46,375
On-Call	27,000	36,400
<b>sub-total:</b>	<b>43,209</b>	<b>276,007</b>
 <b>II. Operating Expenses</b>		
Travel/Parking	200	2,400
Printing	450	5,400
Space & moving expense	13,537	13,644
Utility	595	7,140
Phone line/phone installation	4,250	49,980
Phone set	4,050	0
Furniture	19,300	0
Supplies & materials	4,500	1,065
Training	10,000	1,400
Car rental	550	6,600
Brochure	30,000	0
Computers	136,700	0
Equipment	5,000	0
Space Renovation	89,295	
Msc.	2,000	0
<b>sub-total:</b>	<b>320,427</b>	<b>87,629</b>
<b>Personnel &amp; Operating Expenses</b>	<b>363,636</b>	<b>363,636</b>
Indirect cost 10%	36,364	36,364
<b>TOTAL AMOUNT:</b>	<b>400,000</b>	<b>400,000</b>

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## Child Crisis Expanded Program Calculation

June 1, 1997-June 30, 1997

SB 90/Supplemental

## I. Personnel

Staff	FTEs	hrly rate	hrs/wk	wks/yr	Salary
Social Worker	1.5	17.00	40.00	4.00	4,080
Case Manager	1.5	16.00	40.00	4.00	3,840
Secretary	1	12.00	40.00	2.00	960
Psychologist	1	21.00	40.00	4.00	3,360
Psychiatrist	0.2	52.00	40.00	2.00	832
<b>Sub-total Salary:</b>	<b>5.2</b>				<b>13,072</b>
Fringe	24%				3,137
On-Call		25.00	60.00	18.00	27,000
<b>Total Personnel:</b>					<b>43,209</b>

## II. Operating Expenses

	<u>amt/month</u>	<u># of month</u>		<u>Total</u>
Travel/Parking	200	1		200
Xrox machine rental	450	1		450
	<u>rate/month</u>	<u># of months</u>	<u>Temp. space</u>	
Space & moving expense	1,137	1	12,400	13,537
Utility	595	1		595
	<u>rate/month</u>	<u># of phones</u>	<u># of months</u>	
Phone line/phone installation	250	17	1	4,250
	<u>unit cost</u>	<u># of phones</u>		
Phone set	225	18		4,050

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## Child Crisis Expanded Program Calculation

June 1, 1997-June 30, 1997

## Furniture

	<u>unit cost</u>	<u># of units</u>	
Chairs	350	18	6,300
Desks	300	18	5,400
Conference tables	1,500	3	4,500
File cabinets	200	8	1,600
Book cases	150	10	1,500
sub-total:			19,300

	<u>cost/staff</u>	<u># of staff</u>	
Supplies & Materials	250	18	4,500

Training			10,000
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	<u>cost/month</u>	<u># of months</u>	<u># of cars</u>	
Car rental	550	1	1	550

	<u>cost/copy</u>	<u># of copies</u>	
Brochure(design, typesetting layout, printing)	2	15,000	30,000

## Computers

	<u>cost/unit</u>	<u># of units</u>	
CPU,keyboard	3,000	20	60,000
Monitor	850	20	17,000
Printer	1,500	7	10,500
Software	1,430	20	28,600
Tables & chairs	530	20	10,600
Security	200	20	4,000
Computer accessories			6,000
sub-total:			136,700

Equipment	5,000
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Space Renovation for new location	89,295
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Misc.	2,000
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Total Operating Expenses:	320,427
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Total Personnel & Operating Expenses:	363,636
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INDIRECT COST	10%	36,364
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TOTAL AMOUNT:	400,000
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## TRAINING PROPOSAL BUDGET

## SB90 Supplemental Funds

Item	Cost
Presenter's fee for two-day presentation/workshop for Child Crisis and Child Crisis Expanded Staff - Presenter: Scott Haggler $\$375 \times 16 \text{ hrs} = \$6,000$	\$6,000.00
Transportation to and from Pennsylvania	\$1,200.00
Lodging -three nights	\$375.00
Rental of Training Room	\$500.00
Rental of Audio-visual equipment	\$200.00
Food Catering Service: lunch and beverages	\$700.00
Purchase training materials for staff	\$1,000.00
<b>Total</b>	<b>\$9,975.00</b>

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Item 9 - File 101-96-74

**Department:** Public Library

**Item:** Ordinance appropriating \$399,660 of 1988 Public Library Improvement Bond interest earnings to capital improvement projects for FY 1996-97.

**Amount:** \$399,660

**Source of Funds:** 1988 Public Library Improvement Bond interest earnings

**Description:** In 1988 the San Francisco electorate approved the 1988 Public Library Improvement Bonds in the amount of \$109.5 million. In addition, approximately \$16.1 million in interest has accrued to the bonds to date. To date, approximately \$10.7 million in Bond Fund interest earnings has been appropriated, leaving an unappropriated balance of approximately \$5.4 million. The proposed supplemental appropriation from Bond Fund interest earnings would pay for ongoing project management costs related to construction of the New Main Library, which opened in April, 1996.

In general the reason that costs continue to be incurred for the new Main Library project after the opening of the building pertain to the need to manage completion of 64 change orders. Such change orders include Americans with Disabilities Act (ADA) required restroom accessories, handrails and glass for interior hand railings, a handicap ramp, Braille for elevator controls and symbols, fire stair guardrails, changes to doors to comply with the ADA, sprinkler alarm revisions, and changes to the air return shafts for the building smoke evacuation and life/safety system, etc.

The request covers expenses in the following categories:

<u>Category of Expense</u>	<u>Amount of Expense</u>
Department of Public Works (DPW)	
Project Management and Inspections	356,601
Library Internal Project Coordination	<u>43,059</u>
Total Requested Supplemental Appropriation	\$399,660

A more detailed description of each component of the subject supplemental appropriation request is provided as follows:

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DPW Project Management and  
Construction Inspection Costs

\$356,601

A total of \$356,601 of the requested supplemental appropriation would fund DPW project management and construction inspection costs for the period April, 1996 through December 1997. Mr. Cheng states that such costs were incurred for the new Main Library Project because of concurrent delays resulting from changes required for ADA and Building Code compliance, and contractor delays. The DPW Project Management and Construction Inspection costs that would be funded in this subject supplemental appropriation include claims resolution, as well as project management and construction inspection for the change orders discussed above.

Mr. Cheng states that the requested \$356,601 would reimburse the DPW for expenditures incurred starting approximately one year ago, for the period from April, 1996 through December, 1997. In other words, the funds would cover costs already incurred, from April, 1996 through mid-May, 1997, as well as costs expected to be incurred from mid-May, 1997 through December, 1997. The attachment to this report, provided by the DPW, shows the detailed budget for DPW Project Management and Construction Inspection, including hours and hourly rates of DPW staff assigned to the project.

Public Library Internal Project Coordination

\$43,059

A total of \$43,059 is requested to cover nine months, from August 1996 through April 1997, of the salary and fringe benefit costs of a 1366 Special Assistant VII who was assigned to handle the Public Library's internal coordination of the New Main Library Project at an annual salary of \$41,838. Mr. David Price of the Public Library advises that this position was covered by previously appropriated bond fund monies for the period from the start of the new Main Library project, in January, 1991, through July, 1996.

The concurrent delays resulting from changes required for ADA and Building Code compliance, and contractor delays, which necessitated additional DPW Project Management and Construction Inspection costs are also responsible for the additional Public Library internal project coordination costs. Mr. Price states that the requested funds will cover the final Public Library internal project coordination costs related to the new Main Library construction project. As explained above, although the new Main Library was opened in April, 1996, implementation of construction change orders has

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continued to the present date, and work is not expected to be complete until approximately December, 1997. However, Mr. Price states that, because the majority of change orders have now been implemented, the Public Library will rely upon DPW to coordinate the remaining work.

According to Mr. Price, the subject position became vacant as of May 1, 1997, although the Public Library may request bond fund monies to fill the position at a future date, if it is determined that internal project coordination is needed for the renovation of the Mission Branch Library.

**Comments:**

1. A related supplemental appropriation of bond interest earnings (Item 16, File 101-96-64) may be considered by the Finance Committee in closed session.

2. The proposed supplemental appropriation ordinance was prepared by the Public Library and the DPW in approximately July, 1996. However, the former Director of the Public Library did not submit the request to the Finance Committee at that time. The proposed supplemental appropriation ordinance should be amended to provide retroactive authorization.

**Recommendation:** Amend the proposed ordinance to provide for retroactive actions previously taken and approve the ordinance as amended.

## Project Budget Cost 1996

Task	Class No.	Description	No. of Pos.	Hrs. Mo.	No. of Mos.	No. of Hrs.	Other Tasks	Adj. Hrs.	Hourly Rate	Salary
<b>Task AD - Project Management:</b>										
AD	DPW	Project Manager	1.00	125	6.00	750	0	750	86.66	64,998
		<i>Subtotal</i>								<i>\$64,998</i>
<b>Task RA - On-site Inspection (Punch List, CDN's):</b>										
RA	DPW	Office Engineer	1.00	160	4	640	0	640	60.03	38,420
RA	DPW	Construction Inspector	1.00	160	4	640	0	640	60.03	38,420
RA	DPW	Junior Civil Engineer	1.00	160	4	640	0	640	45.91	29,381
RA	DPW	Electrical Inspector	1.00	80	4	320	0	320	65.23	20,875
RA	DPW	Plumbing Inspector	1.00	80	4	320	0	320	65.23	20,875
		<i>Subtotal</i>								<i>\$147,971</i>
<b>Task CL - Claims Resolution:</b>										
CL	DPW	Project Manager	1.00	125	7	875	0	875	86.66	75,831
CL	DPW	Office Engineer	1.00	160	4	640	0	640	60.03	38,420
CL	DPW	Junior Civil Engineer	1.00	160	4	640	0	640	45.91	29,381
		<i>Subtotal</i>								<i>\$143,632</i>
<b>DPW Project &amp; Construction Management Total</b>										<b>\$356,601</b>

Item 10 - File 79-95-6.5

**Department:** Mayor's Office of Community Development

**Item:** Hearing to consider the release of reserved funds in the amount of \$380,000 for the Mayor's Office of Community Development.

**Amount:** \$380,000

**Source of Funds:** Community Development Block Grant (CDBG) Funds

**Description:** In the approved 1996 CDBG Program budget, the Board of Supervisors placed \$500,000 on reserve for the 1996 Homeless Facilities Program Pool, pending submission of program identification and budget details (File 79-95-6). The Homeless Facilities Program Pool provides for emergency shelters, services, economic development, and rehabilitation projects that serve homeless individuals and families. In September of 1996, the Board of Supervisors released \$80,000 of the Homeless Facilities Program Pool funds to expand a food program and for pre-development expenses related to a proposed new emergency shelter (File 79-95-6.2). In October of 1996, the Board of Supervisors released an additional \$40,000 to pay for contractual services related to the Treasure Island Homeless Development Initiative Project. The MOCD is now requesting that the remaining \$380,000 of the \$500,000 previously reserved be released to pay for the following two projects:

899 Guerrero Street Inc.	
(St. Joseph Family Village)	\$285,000
Golden Gate Community Services	
(Oak Street House)	<u>95,000</u>
Total	\$380,000

**Budget:** A detailed budget for each of the two projects, provided by MOCD, is contained in the Attachment.

**Comment:** According to Mr. Pon, 899 Guerrero Street Inc., a nonprofit agency, has been involved with the development of St. Joseph Family Village, located at 1415 Howard Street, and is overseeing the renovations at this facility, which provides emergency shelter and related supportive services, such as child care to approximately 10 families residing at this facility. Mr. Pon states that the \$95,000 balance of this request is for Golden Gate Community Services, a nonprofit agency, to make the improvements at Oak Street House as identified on page two of the Attachment to this report. Mr. Pon advises that Oak Street House, located at 1387 Oak

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Street, is a transitional residence, housing a total of 10 women and children who are homeless and have substance abuse problems.

**Recommendation:** Approval of the requested release of reserved funds is a policy matter for the Board of Supervisors.

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## 1996 Homeless Program Pool

1. 899 Guerrero Street Inc. / St. Joseph Family Village  
1415 Howard Street

899 Guerrero Street recently completed a more thorough architectural analysis of the Rectory building. The updated scope of work and cost estimates now indicate that at least \$410,000 will be needed to complete the renovation. Since \$125,000 has already been approved in the 1997 CDBG, another \$285,000 of capital funding is needed

## Overall construction budget:

Kitchen and dining room renovation	\$84,000
Roofing	25,000
Exterior exit stairs	30,000
Handicapped entrance ramp	25,000
New and remodeled bathrooms	125,000
Laundry room	20,000
Electrical upgrading & lighting	20,000
Fire alarm system	28,000
Basement sprinkler system	18,000
Architectural design services	<u>35,000</u>
 TOTAL	 \$ 410,000
 1997 CDBG	 \$ 125,000
 Funding needed	 \$ 285,000

2. Golden Gate Community Services (a.k.a. as Oak Street House)  
1387 Oak Street

This is a project that is partially funded under the 1995 Supportive Housing Program (SHP) at \$67,500. The latest estimate is \$177,500 which will take care of all the code compliance, ventilation and ADA requirements. \$110,000 will be needed from the 1996 and 1997 Homeless Program Pool to complete the renovation.

Overall construction budget:

Fire escape, 2 <sup>nd</sup> egress, footing	\$	28,000
Fire sprinkler		19,500
Heating and ventilation		24,500
Bathroom addition & rehabilitation		32,000
Doors, partitions, and cabinetry		31,500
Fire alarm and emergency lighting		16,000
Electrical upgrade & lighting		<u>11,000</u>
 TOTAL		 \$162,500
 Available from SHP		 67,500
 Funding needed	\$	 95,000



Item 11 - File 101-96-7.2

**Department:** Mayor's Office of Community Development

**Item:** Hearing to consider the release of reserved funds in the amount of \$100,000 for architectural design services and for administrative expenses for the Mayor's Office of Community Development.

**Amount:** \$100,000

**Source of Funds:** Convention Facilities Management Fiscal Year 1996-97 Budget

**Description:** In August 1996, the Board of Supervisors approved an ordinance reappropriating \$1,275,000 from the Convention Facilities Fund to the Mayor's Office of Community Development (MOCD) for predevelopment, design and property purchase costs for the Lesbian, Gay, Bisexual and Transgender (LGBT) Community Center, and placed \$1,200,000 on reserve (File 101-96-7). In November of 1996, the Board of Supervisors approved the release of \$1,100,000 in reserved funds to purchase the site of the proposed LGBT Community Center (File 101-96-7.1). According to Mr. Jon Pon of MOCD, the requested \$100,000 from the balance of reserved funds would pay for architectural design services and administrative costs associated with the oversight of the LGBT community center project.

According to Mr. Pon, specific services to be provided at the LGBT Community Center include, but would not be limited to (1) offering a meeting place for individuals and organizations, (2) providing an information referral system for those seeking employment, housing, community activities and support, and (3) serving as a focal point for holding community forums which will include classes, workshops and activities. According to Mr. Pon, the construction of the LGBT Community Center will begin in the spring of 1998 and be completed by the fall of 1999. According to Mr. Pon, the total estimated project cost is \$7,299,063, and thus far, total funding sources from the 1997 Community Development Block Grant (\$228,500), San Francisco Redevelopment Agency Tax Increment Bonds (\$1,100,000), the Historic Tax Credit<sup>1</sup> (\$115,000), Convention Facilities

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<sup>1</sup> Under Federal tax law, the owner of a building which has been designated as an historic site on the Federal register of historic properties is eligible to receive a Federal income tax credit in the amount of 20 percent of the cost of rehabilitating a historic property. According to Mr. Pon, San Francisco Community Center Project, a nonprofit agency, in collaboration with a private developer (yet to be

Management FY 1996-97 Budget (\$1,275,000), and donations from fundraising and private sources (\$1,335,000), for a total of \$4,053,500, have been identified. Of the \$1,335,000 in donations, \$400,000 has been received to date, according to Mr. Pon. Mr. Pon reports that it is anticipated that additional fundraising and a loan from the Federal Department of Housing and Urban Development (HUD) will fund the balance of \$3,245,563 needed to complete the LGBT Community Center.

**Budget:** The budget for the \$100,000 in reserved funds, provided by MOCD, is as follows:

Architectural Design Services	\$86,250
Administrative	<u>13,750</u>
Total	\$100,000

**Comments:**

1. According to Mr. Pon, a contest was held by the San Francisco Community Center Project (CCP), a nonprofit agency established to oversee the creation of the LGBT Community Center, for the purpose of awarding a contract to design the LGBT Community Center. Mr. Pon reports that the winner of the design contest was Cee/Pfau Collaboratives, A Joint Venture. According to Mr. Pon, their design was chosen based on criteria such as "spirituality, creativity, functionality, feasibility, and relation to neighborhood." Pfau Architects is an MBE firm.

Mr. Pon reports that the other four design firms in the contest were (1) Robert Fraer Architects, (2) Davis and Schwartz Designs, (3) Kava Massih and Robin Levitt, and (4) David Baker Associates and Allied Architecture and Design.

2. Mr. Pon states that the total contract cost for design services related to the LGBT Community Center is \$328,650 (3,354 hours at an average hourly rate of \$98). Mr. Pon states that \$86,250 of the requested release of \$100,000 would pay for a portion of the contract with Cee/Pfau Collaboratives, A Joint Venture. Mr. Pon states that, after determining the need for \$13,750 to cover MOCD's administrative expenses (included in this \$100,000 request), the MOCD decided that remaining \$86,250 of the reserved funds would be used to pay for a portion of the design contract. According to Mr. Pon, the balance of the cost of the \$328,650 contract, or \$242,400,

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determined), will be eligible to receive this tax credit for rehabilitating the site of the LGBT Community Center. The MOCD estimates that the value of the tax credit will be \$115,000, based on the estimated rehabilitation cost of \$575,000. Mr. Pon states that the \$115,000 tax credit is included as a funding source because it will reduce the developer's construction costs, and those savings will be passed to the Community Center Project.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

would be funded by 1997 Community Development Block Grant funds and through private donations.

3. The Attachment, provided by MOCD, explains why price was not a criterion for choosing a contest winner, and how the CCP arrived at the \$328,650 contract price.

4. Mr. Pon reports that the request of \$13,750 for administrative services would pay for the following:

<u>Classification</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Amount</u>
9776 Supervising Community Development Specialist	80	\$42	\$3,360
9775 Senior Community Development Specialist II	200	41	8,200
8197 City Attorney	36.5	60	<u>2,190</u>
Total			\$13,750

**Recommendation:** Approve the request for the release of \$100,000 in reserved funds.

**MAYOR'S OFFICE OF COMMUNITY DEVELOPMENT  
CITY AND COUNTY OF SAN FRANCISCO**




**WILLIE LEWIS BROWN, JR.**  
MAYOR

**PRISCILLA WATTS**  
DIRECTOR

**MEMORANDUM**

May 8, 1997

TO: Jenelle Welling  
Budget Analyst's Office

FROM: Jon Pon 

RE: Files #101-96-7

The architectural/engineering contract is based on industry standards and is consistent with the American Institute of Architects (AIA) practices. For new construction for this type of building, the cost for the architectural/engineering contract is 6% of the construction budget. The cost for the new building is \$5,477,500. Therefore, 6% of that cost represents the architectural fee or \$328,650.

Architectural/engineering contract for this type of work are not normally bidded out and therefore, price alone, is not a factor in selecting the architectural firm. The architectural fee is determined based on industry standards and thus was predetermined for this contract. The selection of the architectural firm of Cee/Pfau was based on an open competition using 5 criteria. The 5 criteria (using a weighted point system) are the design's spirituality, creativity, functionality, relation to the neighborhood, and cost feasibility.

If you have any questions, please call me at 252-3152.

Item 12 - File 65-97-7

**Department:** Department of Real Estate (DRE)  
Department of Public Works (DPW)

**Item:** Resolution authorizing five leases to non-profit agencies at four City-owned facilities under the purview of the Southeast Community Facility Commission, without competitive bidding.

**Location:** All four properties covered by the five proposed leases are located in the Bayview Hunters Point area of the City. The Attachment provides a list of property addresses, names of lessees, and related information.

**Purpose of Lease:** Four of the proposed leases are for childcare facilities and one is for a community theater group. See Attachment for details.

**Lessor:** City and County of San Francisco

**Lessees:** See Attachment

**Term of Lease:** Pending approval of the Board of Supervisors, leases will be effective from the date of execution for three years, with one three-year option to renew.

**Utilities and Maintenance:** Lessee is responsible for utilities, interior janitorial, security and maintenance, pest control and other normal tenant responsibilities. The City is responsible for maintenance of the roof, sidewalls, common areas and other normal landlord responsibilities.

**Description:** Each of the facilities listed on the Attachment operates under the auspices of the Southeast Community Facility Commission (SECFC), which has approved the proposed leases. The SECFC was established in 1987 by the Board of Supervisors to support community and economic development activities that are beneficial to Bayview Hunters Point residents, while overseeing the multi-purpose community centers in the area. Commission members are appointed by the Mayor.

The following table provides additional information about each of the proposed leases:



Memo to Finance Committee  
May 14, 1997 Finance Committee Meeting

<u>Lessee</u>	# of <u>Sq. Ft.</u>	Approximate Proposed Rate Per <u>Sq. Ft.</u>	Proposed Monthly <u>Rent</u>	Proposed Annual <u>Rent</u>	Current Annual <u>Rent</u>
		<u>Per Month</u>			
1. California Association of Health, Education Employment and Dignity, Inc.	4,900	\$0.04	\$200	\$2,400	\$1
2. Economic Opportunity Council (Sojourner Truth Nursery School)	8,662	\$0.02	\$200	\$2,400	\$1
3. Economic Opportunity Council (M.L. King Nursery School)	7,850	\$0.03	\$200	\$2,400	\$1
4. Whitney Young Child Development Center	7,806	\$0.03	\$200	\$2,400	\$1,200
5. Bayview Repertory Theatre Company	625	\$0.16	\$100	\$1,200	\$1,200

The proposed leases contain the following provisions:

- Rent shall increase annually based on a cost of living adjustment as measured by the Consumer Price Index.
- Authorization for the Director of Property to provide a rent credit for preapproved improvements made by a tenant which are the City's responsibility. Mr. Charlie Dunn of DRE advises that, historically, maintenance and repair funding for these facilities has been extremely limited. The proposed leases would allow the Director of Property to provide a rent credit for property improvements made by a tenant which would otherwise be the City's responsibility under the lease if: a) the improvements/credit amount is preapproved by the Director of Property; and b) the improvements can be done more quickly or inexpensively by the tenant.
- A minimum of 50 percent of persons served by the lessee at the facility must be from the Bayview Hunters Point area (ZIP Codes 94124 and 94134).
- A minimum of 50 percent of persons employed by the lessee at the facility must be from the Bayview Hunters Point area (ZIP Codes 94124 and 94134).

**Comments:**

1. The four properties were under the jurisdiction of the Mayor's Office until 1990 when the Board of Supervisors approved the transfer of the jurisdiction to the Department of Public Works (File 199-90-3).
2. According to Mr. Dunn, the proposed lessees are non-profit organizations currently operating in the respective facilities. Mr. Dunn advises that all of the lessees have been long term tenants, occupying the space under Memoranda of Understanding (MOUs) and paying from \$1 to \$1,200 per year in rent (see Attachment for length of tenancy).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



3. Mr. Dunn advises that the DRE, DPW, and the Southeast Community Facility Commission now wish to set up standard lease agreements for the facilities. The proposed rents would increase from the existing range of \$1 to \$1,200 per year to \$1,200 to \$2,400 per year.

4. According to Mr. Dunn the fair market rental value of these leases are approximately \$1 per square foot per month, or approximately \$7,500 to \$103,944 per year.

5. Although the proposed rents are significantly below fair market value, the DRE proposes to provide these leases without competitive bidding, because, according to Mr. Dunn, the respective leases provide benefit to the public by providing services to area residents.

6. Mr. Dunn advises that, historically, City funds for maintenance and repair of the subject facilities has been extremely limited. According to Mr. Dunn, it is hoped that the agencies occupying the subject facilities will take advantage of the rent credit for preapproved improvements in the proposed leases by securing Federal, State, and/or private funds. By paying for preapproved improvements or repairs, an agency will receive credit in the amount spent on the improvements or repairs which will be applied toward the agency's annual rent. Mr. Dunn states that, generally, the proposed lessees feel that funds could be better spent on programs but have accepted the proposed rent increases.

7. Mr. Dunn advises that the uses of the facilities under the proposed leases (childcare and performing arts) are in keeping with the original design and purpose of each of the facilities.

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

# ATTACHMENT

## CHILDCARE LEASES UNDER JURISDICTION OF SOUTHEAST COMMUNITY FACILITY COMMISSION

No.	Address	Use	Tenant	Approx SF*	Current Rent	Proposed Rent	Tenant Since
1	1030 Oakdale Capt. Wm. T. Shorey Block 4714, Lot 7	Childcare	Calif. Assn. of Health, Education, Employment and Dignity, Inc. (C.A.H.E.E.D.)	4900	\$1/Year	\$2,400/Year	1978
2	1 Cashmere St. Soujourner Truth Nursery School Block 4720, Lot 6	Childcare	Economic Opportunity Council (E.O.C.)	8662	\$1/Year	\$2,400/Year	1972
3	200 Cashmere St. M.L. King Nursery School Block 4710, Lot 7	Childcare	Economic Opportunity Council (E.O.C.)	7850	\$1/Year	\$2,400/Year	1973
4	100 Whitney Young Circle Earl P. Mills Center Block 4711, Lot 6	24 Hr. Childcare	Whitney Young Child Development Center, Inc.	7806	\$1,200/Year	\$2,400/Year	1974
5	100 Whitney Young Circle Earl P. Mills Center Block 4711, Lot 6	Performance	Bayview Repertoire Theatre	625	\$1,200/Year	\$1,200/Year	1974

Item 13 - File 97-97-20

**Item:** Ordinance amending the San Francisco Administrative Code by amending Section 20.57 (General Assistance Ordinance) relating to the computation of aid grants.

**Description:** The proposed ordinance would amend the Administrative Code in order to suspend a scheduled cost of living adjustment (COLA) for General Assistance recipients for Fiscal Year 1997-98. The maximum General Assistance grant amount is currently \$345 per month for a single individual (the grant is higher for families, depending on the number of eligible individuals in the family, as shown in the table below). If the proposed ordinance is adopted, the maximum General Assistance grant would not increase in FY 1997-98, but would remain at the current level of \$345 per month.

Under existing provisions of the Administrative Code, the General Assistance grant is scheduled to increase on July 1, 1997, based on the percent change in the Minimum Basic Standard of Adequate Care which is adopted annually by the State Legislature (see Comment No. 2).

The maximum monthly General Assistance grant amounts, under existing provisions of the Administrative Code, are as follows:

<u>No. of Eligible Persons in Same Family</u>	<u>Current Monthly Grant Amount</u>
Single Individual	\$345
2 Persons	567
3 Persons	703
4 Persons	834
5 Persons	952
6 Persons	1,070
7 Persons	1,175
8 Persons	1,281
9 Persons	1,388
10 Persons	1,508

The General Assistance grant level was last increased on July 1, 1992, when the maximum monthly grant amount for a single individual was increased by \$4.00, or approximately 1.2 percent, from \$341 to \$345. The Board of Supervisors has previously approved legislation, similar to this proposed ordinance, to suspend the General Assistance COLA for Fiscal Years 1993-94, 1994-95, 1995-96, and 1996-97.

**Comments:**

1. According to Ms. Julie Murray Brenman of the Department of Human Services (DHS), based on an average monthly caseload of approximately 13,000, General Assistance expenditures in FY 1996-97, which are funded 100 percent by the City's General Fund, are estimated to total \$46,444,108.

2. The Administrative Code ties the General Assistance grant to the change in the State's Minimum Basic Standard of Adequate Care (MBSAC), which is calculated as 70 percent of the change in the California Necessities Index. Without action to suspend the COLA, General Assistance grant levels will increase automatically on July 1, 1997 in an amount equal to the percentage increase in the MBSAC for FY 1997-98. According to Ms. Brenman, the MBSAC increase for FY 1997-98 will be 2.6 percent.

3. The increase of 2.6 percent in the MBSAC for FY 1997-98, which would be used to determine the COLA in the General Assistance grant (unless the COLA is suspended pursuant to this proposed ordinance), would increase the maximum General Assistance grant for a single individual in FY 1997-98 by approximately \$9.00, from the current monthly grant level of \$345 to \$354.

4. The DHS estimates that a COLA of 2.6 percent would result in increased General Assistance expenditures in FY 1997-98 of approximately \$1,200,000 based on the current caseload of 12,879, as of January 1997. However, Ms. Brenman advises that the DHS is expecting an increase of 7,500 in the monthly caseload for FY 1997-98 because approximately 7,500 Social Security Income (SSI) recipients will lose SSI benefits and are anticipated to receive General Assistance grants instead, including the COLA of 2.6 percent unless the proposed ordinance is approved. Ms. Brenman estimates that General Assistance expenditures would increase an additional \$800,000 in FY 1997-98, based on the expected increase of 7,500 in the monthly caseload for FY 1997-98 and based on the 2.6 percent COLA.

Therefore, the DHS estimates that the 2.6 percent COLA would result in total estimated increased General Assistance grant expenditures of \$2,000,000 in FY 1997-98.

5. Ms. Brenman advises that prior to 1990, the State increased grant amounts in the Aid to Families with Dependent Children (AFDC) program based on changes in the MBSAC. However, Ms. Brenman states that AFDC and Social Security Income (SSI) COLAs have been suspended by the State Legislature since July 1, 1990. Ms. Brenman



advises that such COLAs will again be suspended in FY 1997-98 by the State Legislature. In addition, Ms. Brenman reports that the State Legislature has also reduced the AFDC grant amount by approximately 19.3 percent since July 1, 1990, and that the Governor has proposed a further decrease of 15 percent in the AFDC grant level for persons who have been receiving aid for longer than six months for FY 1997-98. Given these factors, it is unlikely that the State will increase AFDC payments in FY 1997-98 based on the change in the MBSAC, according to Ms. Brenman.

6. Ms. Brenman advises that the average monthly General Assistance grant level for a single individual in the five Bay Area counties of Alameda, Contra Costa, Marin, Santa Clara, and San Mateo, is currently \$274 as compared to the existing and proposed San Francisco grant level of \$345 if this proposed ordinance is approved. Therefore, San Francisco's existing monthly General Assistance grant for a single individual of \$345 is \$71 or 26 percent more than the average grant paid in the other five counties cited above. Ms. Brenman has provided the Attachment showing the monthly General Assistance grant level for a single individual in each of the above noted counties. In contrast to San Francisco's General Assistance caseload of 12,879 as of January 1997, the average General Assistance caseload of the other five Bay Area counties is 2,723.

7. In summary, approval of the proposed ordinance would result in suspending the scheduled cost of living adjustment for General Assistance recipients for Fiscal Year 1997-98, which would otherwise be increased by 2.6 percent. Such a suspension would result in an estimated General Fund savings of \$2,000,000 for FY 1997-98. Approval of this proposed ordinance would be consistent with the Board of Supervisors approval of similar legislation for the current Fiscal Year of 1996-97.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

## City and County of San Francisco

## Department of Human Services



Will Lightbourne  
Executive Director

Deputy Directors  
Bill Bettencourt  
Judy Bley, Acting  
Jim Buick, Acting  
Sally Kipper

## MEMORANDUM

via fax

April 15, 1997

TO: Jenelle Welling  
Budget Analyst

FROM: Julie Murray Brenman *JMB*  
Budget & Fiscal Operations Manager

PAGES: 1

RE: General Assistance Grant Levels in the Bay Area

As you requested, we surveyed the surrounding Bay Area counties to determine their maximum General Assistance grant payments for individuals. The average monthly grant in the five other central Bay Area counties is \$274, which is 21% lower than the \$345 monthly payment in San Francisco.

County	Maximum Monthly General Assistance Grant for a Single Adult	General Assistance Caseload January 1997
Alameda	\$221	7,444
Contra Costa	\$300	1,816
Marin	\$307	400
Santa Clara	\$285	3,065
San Mateo	\$259	888
Five County Average	\$274	2,723
San Francisco	\$345	12,879

If you have other questions, please call me at 557-5641.



Item 14 - File 97-97-17

**Department:** Office of the Mayor

**Item:** Ordinance amending Chapter 3 of Part I of the San Francisco Municipal Code (Administrative Code) to establish a budget process pursuant to Section 9.100 of the new Charter by repealing Sections 3.05 through 3.20 and adding Sections 3.1 through 3.25 and reserving Sections 3.26 through 3.49 for future use.

**Description:** The Office of the Mayor has submitted this proposed ordinance addressing Section 9.100 of the City's Charter which states that the Mayor shall submit and the Board of Supervisors shall act on ordinances with respect to the (1) schedule and procedures for the orderly preparation and submission of the annual proposed budget and interim and final appropriation ordinances; (2) description of the annual proposed budget and appropriation ordinance consistent with required financial records to allow comparison of revenue trends and performance and expenditures between fiscal years; (3) procedures to include public participation in budget process; and the (4) form, content and dates of submission for the Capital Improvements and Facilities Maintenance Budgets (CIAC). The proposed ordinance, entitled the Budget Process Ordinance, addresses all of these requirements with the following sections:

Section 3.3: Budget Timetable

Section 3.4: Introduction and Publication of Budget

Section 3.5: Long-Term Departmental and Agency Budget Planning - Setting Goals and Strategies, Developing Strategic Plans

Section 3.6: Three Year Budget Projection

Section 3.7: Budget to be Accompanied by Legislation Containing all Proposed Fee and Revenue Increases Anticipated in the Proposed Budget; Complete Schedule of Existing Fees

Section 3.8: Public Hearings

Section 3.9: Transmission of Proposed Budget, etc. to Committee; Committee's Transmission of Budget to full Board with Report

Section 3.10: Preparation and Submission of Administrative Provisions of Annual Salary Ordinance and Enactment of Interim Ordinance

Section 3.11: Annual Appropriation Ordinance, Preparation and Format

Section 3.12: Information Concerning Budget Requirements and Related Matters

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Section 3.13: Controller to Assist Board in Preparation of Budget  
Section 3.14: Departments to Operate within Amounts Budgeted  
Section 3.15 Supplemental Appropriation Ordinances Budget, Modifications  
Section 3.16: Interim Positions, Salary Adjustments  
Section 3.17 Savings Incentive Account  
Section 3.18: Transfers  
Section 3.19: Appropriation for Art Enrichment of Proposed Public Buildings, Aboveground Structures, Parks and Transportation Improvement Projects  
Section 3.20: Capital Improvement Advisory Committee  
Section 3.21: Submittal of Capital Improvement Projects  
Section 3.22: Submittal of Long-term Financing Proposals  
Section 3.23: Waiver  
Section 3.24 Committee on Information Technology  
Section 3.25: Three Year Plans, Technical Aspects

According to Mr. John Madden of the Controller's Office, the proposed ordinance updates and puts the budget process into a more concise format within the City's Administrative Code. In addition, Mr. Madden reports that most of the changes in the proposed ordinance are consistent with the City's existing budget instructions and have been in practice for the last several years.

A comparison of each of the proposed new Sections with the City's existing Administrative Code identifies some specific changes, as follows:

According to Section 3.3(a) not later than February 21 of each year, each elected and appointing officer, agency, board or commission shall file with the Controller, for check as to form and completeness, copies of its budget estimate. The current Administrative Code requires the same budget submittals to the Controller by March 1 of each year.

Section 3.3(b) of the proposed ordinance also states that the Controller shall, not later than March first of each year consolidate such budget estimates and transmit this consolidated budget to the Mayor. The current Administrative Code states that the Controller shall transmit the consolidated budget to the Mayor by April 15 of each year.

Section 3.3(d) of the proposed ordinance states that the Controller shall review the estimated revenues and assumptions contained in the Mayor's budget and provide an

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

opinion regarding the accuracy and reasonableness of the economic assumptions and revenue estimates on or before the fifth working day following the Mayor's submission of the budget to the Board of Supervisors. In addition, the Controller may also recommend to the Board of Supervisors reserves that the Controller considers prudent, given the proposed resources and expenditures in the Mayor's budget. The current Charter, under Section 9.102, requires the Controller to similarly review and determine the reasonableness of the revenues and assumptions in the Mayor's budget. However, the proposed ordinance would require that this review be completed by a specific date and would add the provision that the Controller may recommend reserves to the Board of Supervisors.

In addition, there are several significant changes that are included in the proposed ordinance. These are as follows:

According to Section 3.14 of the proposed ordinance, within 30 days of the adoption of the annual budget by the Board of Supervisors, the head of each City and County agency shall submit a letter to the Mayor, Board of Supervisors and Controller agreeing that the funding provided in the recently adopted budget is adequate. If a department does not believe their budget is adequate, this inadequacy must be specifically noted in the letter and acknowledged in writing by the Board of Supervisors. This is a new provision which provides a positive certification by each City and County department, at the beginning of each fiscal year that they will be able to live within their recently approved budget, unless they indicate otherwise in writing.

According to Section 3.17 of the proposed ordinance, a Savings Incentive Account of \$2,000,000 or ten percent of the appropriations closed to the General Fund from the prior fiscal year would be set aside to make additional revenue available for items and services that will improve the efficient operations of City and County departments. Although this Savings Incentive Account provision is currently included in Section 3.20 of the City's Administrative Code, the current provision states that appropriations from this Savings Incentive Account may only be made to departments that have demonstrated that they were able to reduce the cost of service delivery and other departmental activities during the immediately preceding fiscal year. The proposed provision would permit appropriations, subject to approval of the Board of Supervisors, to be made from this Savings Incentive Account for departments to reduce the cost of service delivery and

make departmental activities more efficient, without requiring demonstrated ability to have reduced costs in the prior year. According to Mr. Madden, this new provision will enable those City departments to receive one-time project funds from the Savings Incentive Account if they can identify how such funds would enable the department to streamline their operations or become more efficient.

Section 3.18 of the proposed ordinance would allow the Controller, upon request of the Mayor, other officials, boards or commissions to transfer any unused balance from previously appropriated funds to augment existing appropriations as long as the transfer is within the same fund and department. However, no such transfer of funds may be made to an appropriation which was previously reduced by action of either the Mayor or Board of Supervisors in their review of the budget for the current or prior fiscal year. Mr. Madden reports that this provision was previously included in the City's old Charter (Section 6.305), but was omitted in the preparation of the new Charter. This provision would make this authority part of the City's Administrative Code. However, Mr. Madden cautions that, under this provision, the Controller would not be permitted to transfer funds in order to create new permanent positions, or to authorize capital improvements or major equipment purchases, not previously authorized by the Board of Supervisors. In addition, Mr. Madden reports that the Controller's Office has historically not authorized transfers of funds within departments that exceeded approximately 10 percent of the previously authorized appropriation without the knowledge of the Mayor and the Board of Supervisors and that this practice is likely to continue (see Comment No. 4).

The proposed ordinance would also replace Sections 3.05 through 3.012 of the existing Administrative Code, which relate to the formation, membership and functions of the Capital Improvements Advisory Committee (CIAC), with Sections 3.20, 3.21, 3.22 and 3.23. According to Mr. Madden, the proposed ordinance would provide the CIAC with more flexibility regarding the preparation of capital expenditure plans and would remove redundant provisions from the existing Administrative Code. In addition, the more significant changes are as follows:

- The CIAC is currently comprised of the following 10 members: the Mayor's Designee (Chairperson), the Controller, the Director of Public Works, the Director of Planning, the General Manager of Utilities, the General



Manager of the Recreation and Park Department, the Director of Airports, the Director of Property, the Director of Health and the Port Director. The proposed ordinance would designate seven members to the CIAC, as follows: the Mayor's Finance Director (Chairperson), the President of the Board of Supervisors, the Controller, the Director of Public Works, the Director of Planning and two department heads to be selected by the Chairperson for two-year terms.

- The proposed ordinance would require that the CIAC review all capital improvement projects with an estimated cost in excess of \$25,000. Under the proposed ordinance, no funds could be appropriated for capital projects until the CIAC completed its review and submitted its recommendations to the Mayor's Office.
- The Administrative Code currently requires that all long-term financing proposals (i.e. bonded indebtedness constituting an obligation of beyond one fiscal year) be reviewed and recommended upon by the CIAC, and the CIAC's failure to report within the designated timeframe constitutes an approval of the proposal. Under the proposed ordinance, the CIAC would continue to review all long-term financing proposals, but the Board of Supervisors could not place on the ballot or authorize the issuance of any long-term financing until the CIAC completed its review and made a recommendation regarding the proposal.
- The proposed ordinance would authorize the Mayor or the Board of Supervisors to waive any of the time requirements specified in the rules adopted by the CIAC.

The proposed ordinance would also replace Sections 3.015 through 3.021 of the existing Administrative Code, which relate to the formation, membership and functions of the Electronic Information Processing Steering Committee (EIPSC), with Sections 3.24 and 3.25. According to Mr. Madden, the proposed ordinance would replace EIPSC with (a) the Committee on Information Technology (COIT), which would be responsible for the establishment of citywide policies and standards relating to information technology and for encouraging interdepartmental cooperation, and (b) a COIT technical subcommittee, which would be responsible for reviewing and making recommendations on specific project proposals and their technical aspects. The major provisions are as follows:

- EIPSC is currently comprised of the following seven members: the Director of Administrative Services, the Controller, the Budget Analyst, the Executive Deputy Mayor for Fiscal and Program Administration and three heads of City departments. The proposed ordinance would designate 10 members to COIT, as follows: the Mayor's Finance Director, a member of the Board of Supervisors, the Controller, the Director of Telecommunications and Information Services and one department head from each of the following six groupings of departments, to be selected annually by the four continuing members: (a) Public Protection; (b) Public Works, Transportation and Commerce; (c) Human Welfare and Neighborhood Development; (d) Community Health; (e) Culture and Recreation; and (f) General Administration and Finance.
- According to the proposed ordinance, COIT would be responsible for (a) taking a leadership role in encouraging and coordinating departmental efforts in the use of technology; (b) promoting interdepartmental cooperation and City standards; (c) reviewing major interdepartmental and citywide projects and making policy recommendations thereon; and (d) establishing rules governing its operations and procedures to be followed by City departments.
- Under the proposed ordinance, COIT members would delegate technical staff to a technical subcommittee, which would be responsible for (a) reviewing three year plans, minor departmental projects and other technical aspects of information technology; and (b) preparing reports and recommendations for technology improvements and systems, including funding and budget requirements.
- Under the proposed ordinance, the Department of Telecommunications and Information Services (DTIS) would be required to provide staff support to COIT and its working subcommittee, as is currently the practice with EIPSC, according to Mr. Madden.

**Comments:**

1. Section 3.10 of the proposed ordinance is entitled Preparation and Submission of Administrative Provisions of Annual Salary Ordinance and Enactment of Interim Ordinance. However, Section 3.10 only addresses the Annual Salary Ordinance and does not address issues concerning the Interim Ordinance. Therefore, the end of the title of Section 3.10 should be amended to delete reference to the Interim



Ordinance and to add "and Enactment of Annual Salary Ordinance". The Interim Salary Ordinance and the Interim Appropriation Ordinance are addressed in other sections of the proposed ordinance.

2. Section 3.1 of the proposed ordinance refers to the City Charter of 1995. Although the current City Charter was adopted in 1995, it did not become effective until 1996 and is currently titled the 1996 Charter. Therefore, Section 3.1 of the proposed ordinance should be amended to reflect the Charter of 1996.

3. According to Section 3.12 of the proposed ordinance, it would be the duty of the Board of Supervisors committee that has jurisdiction over the annual budget review (currently the Finance Committee) to keep informed at all times of the budget requirements for the purpose of discharging its duties. To perform this requirement, the Controller shall provide to the Board of Supervisors any documents or reports that the Controller prepares on the City's financial condition. In addition, the Finance Committee shall have the power to make relevant inquiry through the Mayor to City offices and departments to request reports and information which are necessary to assist the Finance Committee. As presently proposed, this Section would require the Board of Supervisors to make inquiries through the Mayor's Office rather than directly to the various City departments or offices for additional information. Currently however, members of the Board of Supervisors can make inquiries directly to City departments and are not required to go through the Mayor's Office. The Budget Analyst would therefore recommend that the "through the Mayor" provision be deleted, such that the Board of Supervisors can make inquiries directly to the necessary departments, without having to go through the Mayor's Office.

4. As noted above, Mr. Madden reports that the Controller's Office currently has a policy not to authorize the transfer of funds in excess of 10 percent of the original appropriation within a department's budget without the knowledge of the Mayor and the Board of Supervisors. The Budget Analyst recommends that Section 3.18 of the proposed ordinance be amended to require that the Controller notify the Mayor and the Board of Supervisors of the transfer of funds within a department's budget to augment an existing appropriation if the amount of such transfer is in excess of 10 percent of the original appropriation. The recommended notification would be for information purposes and the Controller would continue to have the discretion to transfer amounts in excess

of 10 percent of the original appropriation within a department's budget.

- Recommendations:**
1. Amend the title of Section 3.10 to replace "Enactment of Interim Ordinance" with "Enactment of Annual Salary Ordinance", in accordance with Comment No. 1 above.
  2. Amend Section 3.1 to state the Charter of "1996", in accordance with Comment No. 2 above.
  3. In accordance with Comment No. 3 above, amend Section 3.12 of the proposed ordinance to delete the requirement that the Board of Supervisors can only make inquiries to City departments "through the Mayor", in order to enable the Board of Supervisors to make inquiries directly with City departments, as is the current practice.
  4. In accordance with Comment No. 4 above, amend Section 3.18 of the proposed ordinance to require that the Controller inform the Mayor and the Board of Supervisors of any transfer of funds within a department's budget to augment an existing appropriation if the amount of such transfer is in excess of 10 percent of the original appropriation.
  5. Approve the proposed ordinance as amended.

Item 15 - File 191-97-3

**Note:** This item was continued by the Finance Committee at its meeting of May 7, 1997.

**Item:** Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission."

**Description:** During Fiscal Year 1995-96, the Board of Supervisors approved the expenditure of \$150,000 to conduct a preliminary feasibility study of municipalizing the electric utilities distribution system, now operated by Pacific Gas and Electric Company (PG&E). Economic and Technical Analysis Group (ETAG), an independent consulting firm, conducted the preliminary feasibility study and submitted its final report to the Public Utilities Commission, Hetch Hetchy, and the Board of Supervisors.

The ETAG report concludes that "savings to San Franciscans are more likely than not [with municipalization], and we find that they would be between 5% and 10%, as compared to PG&E service." The ETAG report recommends that a more extensive study of the feasibility of municipalization be conducted "if -- and only if -- the City and County of San Francisco is inclined as a policy decision to pursue municipalization."

The major findings and recommendations of the report are as follows:

1. Municipalization of PG&E services will most likely save San Franciscans between 5% and 10%.
2. A close second most likely savings would lie in the 0% to 5% range.
3. It is unlikely that municipalization would yield a savings above 10% or that higher costs would result from municipalization.
4. Given the studies findings, a comprehensive feasibility study should be pursued if, and only if, the Board of Supervisors make a policy decision to "pursue municipalization on the basis of its prospective costs, risks and benefits, and if it can spare the dollars from pressing needs."

**Comments:** 1. According to Ms. Deborah Penn Assistant Executive Director for Information Services of the American Public Power Association (APPA), several localities throughout the United States, including localities in California, have formed municipal electric utility systems. According to a survey of municipal electric utilities contained in the ETAG report,

some of the California localities that have municipal public power include Los Angeles, Sacramento, Santa Clara, Pasadena, Alameda and Palo Alto.

2. According to Ms. Penn, research by the American Public Power Association indicates that various jurisdictions have determined that forming municipal electric power systems could provide lower rates to customers while increasing revenues for the jurisdiction. Conducting a comprehensive feasibility study on the effect of municipalizing electric utilities would address the degree to which the City might be able to lower rates for its customers and realize revenues. A comprehensive study would also address the initial costs of acquiring the system from PG&E, and the ongoing operating costs to the City. The method of financing the acquisition costs of the system from PG&E would also be included as part of a comprehensive study.

3. According to Mr. Lawrence T. Klein, General Manager of Hetch Hetchy, San Francisco would have to conduct a full and comprehensive feasibility study in order to develop an inventory and cost estimates associated with acquiring the electric utilities distribution system from PG&E, and developing a process to staff and manage the system once it has been acquired. The engineering firm of R.W. Beck estimates that the engineering costs of a comprehensive feasibility study would range from \$700,000 to \$1,500,000. This range is contingent upon the amount of cooperation provided by PG&E in appraising the system and completing a comprehensive inventory of all facilities. Mr. Klein concurs with the estimated costs of R.W. Beck to conduct the study. However, Mr. Klein also advises that an additional 10% to 20% may be required to cover the costs of City staff time and some initial attorney fees, therefore increasing the range of estimated costs from \$770,000 to \$1,800,000 to conduct a comprehensive feasibility study for purposes of municipalization of PG&E.

4. Representatives of R.W. Beck estimate that the engineering portion of a comprehensive study to assess the feasibility of municipalizing the electric utilities distribution systems would take approximately 12 to 18 months to complete. Mr. Klein concurs with this estimate and advises that the process for selecting a qualified consulting firm to conduct the study will take approximately six months to complete. In addition to the engineering portion of the study, additional time will be required to address legal and other non-engineering matters related to the feasibility of municipalization of PG&E services.

Memo to Finance Committee  
May 14, 1997 Finance Committee Meeting

5. The funding source to conduct a comprehensive feasibility study, which as previously indicated would range in estimated costs of \$770,000 to \$1,800,000, has not been identified.





Memo to Finance Committee  
May 14, 1997 Meeting of Finance Committee

Item 16 - File 101-96-64

**Note:** This item may be considered by the Finance Committee in closed session.

**Department:** Public Library

**Item:** Ordinance appropriating \$1,583,586 of 1988 Public Library Improvement Bond interest earnings to capital improvement projects for FY 1996-97.

**Amount:** \$1,583,586

**Source of Funds:** 1988 Public Library Improvement Bond interest earnings

**Description:** In 1988 the San Francisco electorate approved the 1988 Public Library Improvement Bonds in the amount of \$109.5 million. In addition, approximately \$16.1 million in interest has accrued to the bonds to date. To date, approximately \$10.7 million in Bond Fund interest earnings has been appropriated, leaving an unappropriated balance of approximately \$5.4 million. (See Comment No. 1.) The proposed supplemental appropriation from Bond Fund interest earnings would pay for costs related to construction of the New Main Library, which opened in April, 1996. The request covers expenses in the following categories:

<u>Category of Expense</u>	<u>Amount of Expense</u>
Project Change Orders	\$970,019
Increase to Contract of Construction	
Management Consultant	213,567
City Attorney Services	<u>400,000</u>
Total Requested Supplemental Appropriation	\$1,583,586

Project Change Orders \$970,019

Mr. James Cheng of the Department of Public Works (DPW) states that 64 change orders need to be carried out at the New Main Library, including Americans with Disabilities Act (ADA) required restroom accessories, handrails and glass for interior hand railings, a handicap ramp, Braille for elevator controls and symbols, fire stair guardrails, changes to doors to comply with the ADA, sprinkler alarm revisions, and changes to the air return shafts for the building smoke evacuation and life/safety system, etc. (See Comment)

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Mr. Cheng reports that these 64 change orders, totaling \$970,019, are required by the Department of Building Inspection to achieve compliance with ADA requirements, State and local Building Codes and safety requirements.

According to Mr. Cheng, the cost estimates for the change orders were developed by the general contractor, Huber, Hunt & Nichols, and negotiated on behalf of the City by the construction management consultant, O'Brien Kreitzberg. The change orders have been implemented by Huber, Hunt & Nichols. The list of the specific change orders and their related costs is confidential, according to the DPW.

Increase to Construction Management  
Consultant Contract

\$213,567

The primary construction management consultant for the New Main Library Project is the firm of O'Brien-Kreitzberg. The Public Library is requesting \$213,567 to obtain additional services from O'Brien Kreitzberg and various sub-consultants to (1) negotiate the change orders with the appropriate contractors and subcontractors; (2) assist in the resolution of claims by the contractor and subcontractors (see City Attorney Services, below); and (3) provide construction administration support during implementation of the change orders. The Budget Analyst cannot provide further costs details, because the City Attorney's Office advises that such details are confidential.

City Attorney Services

\$400,000

The City expects to file a suit against the project architect for the New Main Library, the joint venture of Simon, Martin-Vegue, Winkelstein & Moris, and Pei, Cobb, Fried & Partners, for errors and omissions in the design of the building which have resulted in numerous change orders, including some of those described above. (See Comment.) In addition, the City is currently defending claims against the City by the General Contractor, Huber, Hunt & Nichols, and its subcontractors. The City Attorney's Office states that these claims involve additional time and/or material costs that were incurred by the General Contractor or its subcontractors as a result of design flaws.

The City Attorney's Office advises that it will need to retain expert witnesses to conduct audits of construction documents, review scheduling claims, and perform other analyses to prepare for litigation on the New Main Library Project.

Memo to Finance Committee  
May 14, 1997 Meeting of Finance Committee

The Budget Analyst cannot provide further cost details, because the City Attorney's Office advises that such details are confidential.

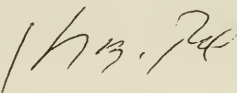
**Comments:**

1. Ms. Sarah Hollenbeck of the Mayor's Office states that the City expects to file suit against the project architect for errors and omissions in the design of the New Main Library which have resulted in the need for the 64 change orders that would be funded with \$970,019 of the proposed supplemental appropriation ordinance. The City Attorney's Office advises that, if the City successfully pursues its claim against the architect, a portion of the \$970,019 would be subject to recovery by the City.

2. The proposed supplemental appropriation ordinance was prepared by the Public Library and the DPW in approximately July, 1996. However, the former Director of the Public Library did not submit the supplemental appropriation ordinance to the Finance Committee at that time. The subject supplemental appropriation should be amended to provide retroactive authorization.

3. A related supplemental appropriation of bond interest earnings (Item 9, File 101-96-74) has also been scheduled for consideration by the Finance Committee at its May 14, 1997 meeting.

**Recommendation:** Amend the proposed ordinance to provide for retroactive actions previously taken and approve the ordinance as amended.

  
Harvey M. Rose

cc: Supervisor Leal	Supervisor Yee
President Kaufman	Clerk of the Board
Supervisor Brown	Controller
Supervisor Ammiano	Steve Agostini
Supervisor Bierman	Stephen Kawa
Supervisor Katz	Ted Lakey
Supervisor Medina	
Supervisor Newsom	
Supervisor Teng	
Supervisor Yaki	



# CALENDAR

## Finance Committee Board of Supervisors City and County of San Francisco

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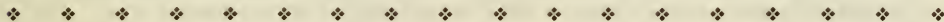
### REGULAR MEETING

WEDNESDAY, MAY 21, 1997 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



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The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.



1. File 100-96-1.9. [Reserved Funds, PUC-Water Department] Hearing to consider release of reserved funds, PUC-Water Department, in the amount of \$550,000, for professional and specialized services of a contractor to develop policies and procedures and staff training for water treatment, system operations, and emergency responses. (PUC-Water Department)  
(Continued from 4/30/97.)

ACTION:

2. File 121-97-1. [Specialized Motor Vehicles for Hire] Ordinance amending Police Code Section 1076, the definitional section and adding Sections 1148 through 1148.5 providing for the issuance of permits and the operation and regulation of specialized motor vehicles for hire (ramped taxi). (Supervisor Ammiano)

ACTION:

3. File 101-96-71. [Appropriation, Assessor's Office] Ordinance appropriating \$250,000, Assessor's Office, from the General Fund Reserve for professional (legal) services for fiscal year 1996-97. RO #96303. (Controller)

ACTION:

4. File 93-97-6. [Mediated Settlement, IT Study, Local 21] Ordinance implementing the provisions of a mediated settlement dated November 20, 1996 between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco providing for the arbitrable terms of implementation of the IT Study. (Department of Human Resources)

ACTION:

5. File 93-97-7. [Amendment to MOU, Local 216] Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding between Building Material and Construction Teamsters, Local 216 and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status effective January 11, 1997 following approval of this ordinance by the Mayor. (Department of Human Resources)

ACTION:

6. File 93-97-34. [Arbitrator's Award, IFTE Local 21] Ordinance adopting and implementing the provisions an Arbitrator's Award granting acting pay to twenty five (25) employees effective November 10, 1994 pursuant to a grievance filed pursuant to the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, Local 21, AFL-CIO and the City and County of San Francisco. (Department of Human Resources)

ACTION:



7. File 64-97-6. [Lease of Property at 2601 Mission Street] Resolution authorizing the lease of real property at 2601 Mission Street for the Mission Branch Library. (Real Estate Department)

ACTION:

8. File 170-97-3. [Bond Sale] Resolution authorizing and directing the sale of not to exceed \$26,000,000 City and County of San Francisco General Obligation Bonds (Golden Gate Park Improvements, 1992), Series 1997A and not to exceed \$22,050,000 City and County of San Francisco General Obligation Bonds (School District Facilities Improvements, 1994), Series 1997B; prescribing the form and terms of said bonds; authorizing the execution, authentication and registration of said bonds; providing for the appointment of depositories and other agents for said bonds; providing for the establishment of funds related thereto; approving the forms of official notice of sale of bonds and notice of intention to sell bonds; directing the publication of official notice of sale and notice of intention to sell bonds; approving the form and execution of the official statement relating thereto; approving the form of the continuing disclosure certificate; approving modifications to documents; ratifying certain actions previously taken; and granting general authority to city officials to take necessary actions in connection with the authorization, issuance, sale and delivery of said bonds. (Mayor Brown)

ACTION:

9. File 65-97-7. [Lease of Property] Resolution authorizing five (5) leases to non-profit agencies of certain City properties under the purview of the Southeast Community Facility Commission. (Real Estate Department)  
(Continued from 5/14/97.)

ACTION:

10. File 100-96-1.10. [Reserved Funds, District Attorney] Hearing to consider release of reserved funds, District Attorney, in the amount of \$1,323, for computer equipment. (Also see File 100-96-1.7.) (District Attorney)

ACTION:

11. File 97-97-17. [Budget Process] Ordinance amending Administrative Code to establish a budget process pursuant to Charter Section 9.100 by repealing Sections 3.05 through 3.20 and adding Sections 3.1 through 3.25 and reserving Sections 3.26 through 3.49 for future use. (Supervisor Kaufman)  
(Continued from 5/14/97 as amended.)

ACTION:

12. File 191-97-3. [Electric System Municipalization] Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission". (Supervisor Bierman)  
(Continued from 5/14/97.)

ACTION:

13. File 65-97-9. [Amendment to Sony Scoreboard Agreement] Resolution approving a third amendment to the agreement to furnish a scoreboard and other related services, which provide for the installation of exterior marquees and parking lot displays as well as clarification of certain financial terms in the original agreement. (Also see File 65-94-5) (Recreation and Park Department)

ACTION:

### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 97-97-24, Fire Department Response Fees (Draft Ordinance), (Mayor), 30 day Rule expires 5/29/97.

File No. 97-97-25, Bonding and Financial Assistance Program, Contractor, (Supervisor Leal), 30 day Rule expires 5/29/97.

File No. 97-97-26, Property tax exemption, low value, (Supervisor Brown), 30 day Rule expires 6/4/97.

File No. 127-97-4, Hotel Tax Reallocation, City-owned Cultural Centers, (Supervisor Bierman), 30 day Rule expires 6/4/97.

File No. 127-97-5, Hotel Tax Technical Amendments, (Supervisor Bierman), 30 day Rule expires 6/4/97.

Watch future calendars for scheduling of these matters.

### FINANCE COMMITTEE

S.F. Board of Supervisors  
Veterans Building  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102

### IMPORTANT HEARING NOTICE!!!

Bill Lynch  
Govt Information Ctr  
41 Main Library-Civic Center  
100 Larkin Street

CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

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May 16, 1997

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**TO:** Finance Committee

**FROM:** Budget Analyst *Recommendations for meeting of*

**SUBJECT:** May 21, 1997 Finance Committee Meeting

Item 1 - File 100-96-1.9

**Note:** This item was continued by the Finance Committee at its meeting of April 30, 1997

**Departments:** Water Department (SFWD)  
Public Utilities Commission (PUC)

**Item:** Hearing to consider release of reserved funds, Water Department, in the amount of \$550,000, for professional and specialized services of a contractor to assist in the development of policies and procedures and staff training for water treatment, system operations, and emergency responses.

**Amount:** \$550,000

**Source of Funds:** Monies reserved in the Water Department's FY 1996-97 budget for Professional Services

**Description:** In the San Francisco Water Department's (SFWD) FY 1996-97 budget, the Board of Supervisors approved but reserved \$550,00 for professional services. The SFWD is requesting the release of the reserved funds to develop a Policies and Procedures Training Program for the staff of the SFWD.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In February of 1996, the State Department of Health Services issued a Compliance Order in response to water treatment failures at the Water Department's Sunol Valley Water Treatment Plant while treating the Hetch Hetchy water supply. The Compliance Order required several operational improvements, including the development of comprehensive policies, procedures and training programs for water treatment and operations personnel. The specific requirements of the Compliance Order are as follows:

*The SFPUC shall develop comprehensive policies, procedures and training programs for treatment and operations personnel to ensure continuous compliance with the regulatory requirements for drinking water and to provide emergency response capabilities. This training shall include water quality and treatment issues and results of water quality and treatment studies conducted or contracted by the SFWD.*

In order to respond to the Compliance Order, the SFWD requests the release of \$550,000 in reserved funds to contract for consulting services to assist in developing the required Policies and Procedures Training Program. The principal component of the program, the Quality and Reliability Enhancement Program, is a comprehensive training program for water treatment plant and systems operations personnel in Federal, State, and local public health and safety regulations, as well as Water Supply and Treatment Division policies and procedures.

**Comments:**

1. According to Ms. Cheryl Davis, Manager of the Water Supply and Treatment Division of the Water Department, the SFWD issued a Request for Proposal (RFP) to initiate the consultant selection process. The SFWD received three proposals to provide the professional services to support the development and implementation of the Policies and Procedures Training Program. The proposal from Doten Consulting, Ltd., was not considered because the PUC Compliance Officer determined that Doten Consulting, Ltd., did not make a good faith effort to comply with the affirmative action requirements called for in the RFP. The remaining two firms which submitted proposals, their MBE/WBE status, their average hourly rates, their estimated hours, and the their total estimated costs are as follows:

<u>Consultant</u>	<u>MBE/WBE Status</u>	<u>Average Hourly Rates</u>	<u>Estimated Total Hours</u>	<u>Estimated Total Costs</u>
Olivia Chen Consultants	MBE/WBE	\$115	4,806	\$550,000
Brown and Caldwell/ Ellington Group/ Gauntlett Group*	-- MBE WBE	 \$126	 4,144	 \$521,455

\*Brown and Caldwell/Ellington Group/Gauntlett Group is a joint venture.

2. SFWD selected Olivia Chen Consultants, Inc., a certified MBE/WBE firm, to provide the professional services to support the development and implementation of the Policies and Procedures Training Program based on the quality of their proposal. According to Ms. Davis, the lower cost estimate of \$521,455 provided by Brown and Caldwell/The Ellington Group/The Gauntlett Group, A Joint Venture, did not reflect an offer to do the same amount of work at a lower price, but rather reflected an offer to provide a lesser amount of work at a higher cost per hour.

3. According to Ms. Davis, the PUC approved the proposed contract at its May 13, 1997 meeting. However, Ms. Davis states that the PUC only approved \$521,455 of the previously reserved funds of \$550,000, or \$28,545 less. The Attachment to this report contains an explanation from Ms. Davis as to the basis of the \$521,455, which is the identical amount of the Brown and Caldwell/Ellington Group/Gauntlett Group proposal which was rejected. The Attachment contains the estimated number of hours of 4,535 hours and the average hourly rate of \$115/hour for the proposed contract. In the Attachment, Ms. Davis also explains the specific scope of work which is to be performed by Olivia Chen Consultants, Inc. and its subcontractors.

4. Subcontract participation goals for this contract are established at 15% MBE and 10% WBE participation. The Human Rights Commission has determined that Olivia Chen Consultants, Inc. complies with the affirmative action requirements and MBE/WBE subcontract participation goals. The following information provided by Ms. Davis shows the subcontractors for the proposed contract, their MBE/WBE status, the services they would be performing, their percentage of the contract, and their estimated contract amount:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Memo to Finance Committee  
May 21, 1997 Finance Committee Meeting

<u>Subcontractor</u>	<u>MBE/WBE Status</u>	<u>Services to be Performed</u>	<u>Percentage of Total \$521,455 Contract</u>	<u>Estimated Contract Award</u>
CH2M Hill, Inc.	--	PPTP* Standards and Specs.	15.7	\$81,650
Golden Gate Environmental	WBE	Documentation and Training	11.5	59,685
SCA Environmental	MBE	Documentation and Training	10.0	52,095
SST	MBE	System Integration	7.3	37,950
Process Application, Inc.	--	WTP** Optimization	12.5	65,090
California Industrial Hygiene	--	Documentation and Training	1	5,215
<b>TOTAL SUBCONTRACTOR</b>			<b>58</b>	<b>\$301,685</b>

\* Policies and Procedures Training Program

\*\* Water Treatment Plant

The total estimated MBE/WBE subcontractor allocations would be \$149,730, or 28.7% of the total contract amount of \$521,455. In addition, approximately \$219,770, or 42.1% of the total contract amount of \$521,455, would also be allocated to an MBE/WBE firm since the prime contractor, Olivia Chen Consultants, Inc., is a certified MBE/WBE firm. Consequently, a total amount of \$369,500, or 70.9% of the total contract amount, would be allocated to MBE/WBE firms.

**Recommendation:** In accordance with Comment No. 3 above, release \$521,455 of the requested \$550,000 and continue to reserve \$28,545.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



City and County of San Francisco  
Public Utilities Commission

San Francisco Water Department  
Water Supply and Treatment Division

Attachment  
Page 1 of 3



May 15, 1997

Mr. Harvey Rose  
c/o Budget Analyst's Office  
1390 Market Street, Suite 1025  
San Francisco, CA 94102

Dear Mr. Rose:

I am writing to provide information which has been requested by your office in relation to the Public Utilities Commission's request for the Board of Supervisors to lift the reserve on \$521,455 in Professional Services Funding in the FY 1996-97 Operating Fund.

The Public Utilities Commission has authorized PUC staff to negotiate with Olivia Chen Consultants, Inc. for a Policies and Procedures Training Program. The scope of work for this project is attached.

The initial proposal of the contractor was to provide 4806 hours of work at a total project cost of \$550,000. However, it was the decision of the Public Utilities Commission to authorize a lower total project cost of \$521,455. This was the dollar amount which had been proposed by a different bidder in the selection process, and it was the assessment of the Commission that this amount of funding would be sufficient for completion of the work. Based on the total project cost and the average hourly rates provided by Olivia Chen Consultants, Inc., it is estimated that the contractors and subcontractors will provide at least 4535 hours of work under this contract.

The subcontract goals established by the Human Relations Commission for this contract were 15% MBE and 10% WBE. In the proposal submitted by Olivia Chen Consultants, Inc., the overall MBE/WBE participation for sub-consultants was approximately 28.7%. This percentage will be maintained in finalization of contract negotiations. Additionally, the prime contractor selected, Olivia Chen Consultants, Inc. is a certified LBE/MBE/WBE firm, which achieves 100% participation at the prime level.

If you have any additional questions about this request, please call me at (415) 872-5903.

Very truly yours,

A handwritten signature in cursive script that reads "Cheryl K. Davis".

Cheryl K. Davis  
Division Manager

CKD:atw

(415) 872-5900  
rosa@davis/utr97

P.O. Box 730

Millbrae, CA 94030

## SCOPE OF WORK

The scope of work for this contract consists of two elements:

- Policies and Procedures Training Program
- Water Treatment Plant Optimization.

An outline summarizing the work is given below:

### *Policies and Procedures Training Program*

1. Develop framework for the long term Policies and Procedures Training Program.
2. Establish standardized format for documentation and training materials.
3. Prepare documentation and training materials.
4. Train the trainers, and support initial training.

### *Water Treatment Plant Optimization*

1. Mobilization and Framework Development
2. Implementation and Evaluation

Attached is more detail on the components of the training modules.

## PPTP Training Modules

Module	Submodule	Table of Contents
1. Water Treatment Fundamentals		Drinking Water Regulations Theory and Fundamentals Water Chemistry PUC Guidelines, Goals & Water Quality Policies
2. PUC System Operations		Description of Overall System Description of System Components Hetch Hetchy System East Bay Facilities West Bay Field Facilities Suburban Customers City Distribution System Interrelationship of System Components
3. Environmental Compliance		Hazard Communications Hazardous Material Handling and Storage Clean Water Act HAZWOPER Hazardous Waste Handling and Storage
4. Health and Safety Compliance		Confined Space Entry Lock-out/Tag-out Emergency Response/Action Plans Emergency Notifications Illness and Injury Prevention Program Fire Prevention/Suppression Respiratory Protection Hearing Conservation First Aid/CPR
5. Harry Tracy Water Treatment Plant  Sunol Valley Water Treatment Plant  East Bay Field Facilities  West Bay Field Facilities	Unit Processes Ozone (all staff need to be trained on ozone and fluoride, anticipating future treatment changes, and need to get some training on chloramination to be ready for changes ahead) Chemical storage/Feed/Handling Backwash/solids Handling Instrumentation & Controls Mechanical/Electric Systems Chlorination Fluoridation Monitoring Stations Pumping Stations Balancing Reservoirs Chloramination (in anticipation of treatment changes)	Purpose and Intent Safety Routine Duties Special Operating Procedures Emergency Operating Procedures Power Failure Startup Shutdown Troubleshooting and Alarms Appendix



Item 2 - File 121-97-1

**Item:** Ordinance amending Section 1148.1 of the Police Code relating to the issuance of permits for specialized motor vehicles for hire.

**Description:** In January of 1997, the Board of Supervisors approved an ordinance which modified the Police Code to provide for the operation and regulation of "ramped taxicabs" (File 121-96-14). These specialized vehicles for hire, equipped with taximeters, are defined as minivans or similar vehicles specially adapted with ramps to provide access for persons using wheelchairs. Drivers of ramped taxicabs are to grant priority to requests for service from persons using wheelchairs. However, in the absence of such requests for service from persons using wheelchairs, ramped taxicabs may transport any person requesting service.

The proposed ordinance would amend Section 1148.1 of the Police Code pertaining to ramped taxicabs by revising the process for obtaining a permit to operate a ramped taxicab.

According to Officer Farrell Suslow of the Police Department, the Police Commission maintains two waiting lists for drivers who would like to obtain permits for operating vehicles for hire. One waiting list is for regular taxicabs (non-handicapped accessible) and the other waiting list is for ramped taxicabs (handicapped accessible). Drivers are prioritized on the waiting lists based on the time and date that the request to be placed on the waiting list is received by the Police Commission.

Officer Suslow reports that current regulations for obtaining a permit to operate a ramped taxicab provide that drivers already on the waiting list for a regular taxicab permit must submit a letter to the Police Commission requesting transfer to the ramped taxicab waiting list. Officer Suslow reports that, under existing regulations in the Police Code, after the letter is received, the driver's place on the regular taxicab waiting list is withdrawn. Officer Suslow states that under the proposed amendment to Section 1148.1 of the Police Code, a written request would no longer be required. Instead, a driver on the regular taxicab waiting list would automatically be placed on the ramped taxicab waiting list but would continue to hold his or her position on the regular taxicab waiting list.

Furthermore, Officer Suslow states that existing regulations require that a driver on the regular taxicab waiting list, wishing to be placed on the ramped taxicab waiting list,

demonstrate to the Police Commission that he or she has been a full-time driver during the six months preceding the request to transfer to the ramped taxicab list. According to Officer Suslow, under the proposed ordinance, that requirement would be eliminated.

Officer Suslow reports that Section 1148.1 of the Police Code would also be amended to preclude a driver who accepts a ramped taxicab permit from accepting a regular taxicab permit for a minimum of three years, but that such a driver would remain on the waiting list for a regular taxicab permit and the driver's application would be kept active until a regular taxicab permit becomes available after the three-year period. Officer Suslow advises that at such time a regular taxicab permit becomes available, the driver would have a choice either keeping the ramped taxicab permit or obtaining a regular taxicab permit.

**Comment:** According to Officer Suslow, the proposed amendments to the Police Code would not result in any incremental increased enforcement costs to the Police Department.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 3 - File 101-96-71

**Department:** Assessor's Office

**Item:** Ordinance appropriating \$250,000 from the General Fund for legal and related services for the Assessor's Office.

**Amount:** \$250,000

**Source of Funds:** General Fund

**Description:** Mr. Verne Walton of the Assessor's Office states that this proposed supplemental appropriation request of \$250,000 would fund legal and related services for an Appeals Hearing regarding a dispute with Viacom Cable, the predecessor to the City's cable television franchise, Tele-Communications, Inc. (TCI). Mr. Walton reports that Viacom Cable has filed an appeal with the Assessment Appeals Board for the years 1987 through 1995 contesting the assessed value of their right to use City-owned property and the Possessory Interest Taxes<sup>1</sup> paid on the property. Mr. Walton reports that the total assessed value subject to the appeal is \$2,245,345,821. According to Mr. Walton, if Viacom Cable prevails in their appeal, the City would be required to refund Viacom Cable an estimated \$23 million, which includes interest on previously paid Possessory Interest Taxes.

The requested funds would be used to retain two outside law firms and six expert witnesses needed to defend the appeal.

**Budget:** The following estimated costs to defend the City are based on information provided by the Assessor's Office:

**Pre-Hearing Preparation**

Rutan & Tucker LLP	
(256 hrs/\$195 per hr)	\$50,000
Wood & Stuart Partners	
(85 hrs/\$140 per hr)	12,000
2 Appraisers	
(Glenn Desmond and Loren Leavitt, 375 hrs/\$200 per hr)	75,000

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<sup>1</sup> According to Mr. Walton, Possessory Interest Taxes are levied on private companies which use publicly owned property. In this particular instance, the City assesses possessory interest taxes on Viacom Cable's use of City streets and rights of way to provide for the cable company's cable distribution system.

**Pre-Hearing Preparation (Cont'd)**

2 Cable TV Experts (Telecommunications Management Corp., 147 hrs/\$190 per hr)	\$28,000
Certified Public Accountant (CPA) (Diehl, Evans & Co., 57 hrs/\$175 per hr)	10,000
Economist (Bruce Reading, 57 hrs/\$70 per hr)	<u>4,000</u>
Subtotal	\$179,000

**Hearing**

Rutan & Tucker (102 hrs/\$195 per hr)	\$20,000
Appraiser (Loren Leavitt, 100 hrs/\$200 per hr)	20,000
Expert Witness (as needed)	<u>40,000</u>
Subtotal	\$80,000

Subtotal Pre-Hearing & Hearing \$259,000

**Contingency**

(15% of Pre-hearing and Hearing) 38,000

**Total Estimated Costs \$297,000**

**Comments:**

1. Mr. Walton states that law firms of Rutan & Tucker LLP and Wood & Stuart Partners have been retained by the Assessor. Mr. Walton advises that Rutan & Tucker LLP and Wood & Stuart Partners were retained on a sole source basis because both firms have particular expertise in representing public agencies in assessment disputes. Neither of these firms is an MBE or WBE firm. According to Mr. Claude Kolm of the City Attorney's Office, outside counsel was sought for this case instead of using existing staff in the City Attorney's Office because the City Attorney's Office does not have a sufficient number of the specialized personnel needed and because the case would require an extensive amount of time for the Deputy City Attorney who is qualified to work on this case.

2. Mr. Walton reports that the six expert witnesses, including Glenn Desmond, Loren Leavitt, Michael Friedman and Carl Pilnick of Telecommunication Management Corp., William Morgan of Diehl, Evans & Co., and Bruce Reading, to provide expert testimony in support of the City's assessments were also selected on a sole source basis because each has expertise and knowledge of the practices in the cable television industry.

3. According to Mr. Walton, in the FY 1990-91 budget, \$120,000 was appropriated for the Assessor to respond to an initial lawsuit over Possessory Interest Taxes filed by Viacom Cable in 1991. Mr. Walton reports that \$38,000 of these funds remain unexpended.

4. As shown above, the Assessor has estimated \$297,000 in total costs for the Viacom Cable appeals hearing. Since \$38,000 in previously appropriated monies are available, the additional funding required is \$259,000 or \$9,000 more than this subject request of \$250,000. According to Mr. Walton, the estimated additional \$9,000 need can be met with funds to be included in the Assessor's FY 1997-98 budget.

**Recommendation:** Approve the proposed ordinance.



Item 4 - File 93-97-6

**Note:** This item was continued by the Finance Committee at its meeting of February 26, 1997.

**Department:** Department of Human Resources (HRD)

**Item:** Ordinance implementing the provisions of a mediated settlement agreement (the "Agreement") dated November 20, 1996, between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, and the City and County of San Francisco, providing for the arbitrable terms of implementation of the IT (Information Technology) Study.

**Description:** The Civil Service Commission contracted with a consultant in 1990 to perform a classification study of the City's Information Systems (IS) positions Citywide. According to Mr. Rob Kellar of HRD, the Study was initiated because of general dissatisfaction by City departments with the classification structure of IS positions and the fact that many of the existing IS positions were not classified. Attachment I to this report is a report from the then Human Resources Director to the Civil Service Commission, dated June 5, 1996, providing Commission members with information on the background of the Study and the remaining tasks to be completed.

To summarize the content of the HRD report, due to a variety of problems, the efforts of the initial consultant were terminated in 1994. According to Mr. Kellar, a total of \$94,451 had been expended at the time of the termination. A Working Group, consisting of City employees, was then created to develop a classification concept plan and a new consultant was selected under a Request for Proposal process in the amount of \$51,500 in January of 1995 to conduct the Study, according to Mr. Kellar. The Study recommendations were submitted to HRD in September of 1995, after which a review and informal appeal process took place. The results of the Study were posted for classification action by HRD on January 30, 1997. Affected employees and departments had until February 6, 1997, to appeal the recommended classification actions.

According to Mr. Kellar, the Director of Human Resources has determined that as a result of 182 appeals which have been filed with the City as well as concerns pertaining to some of the proposed new classifications recommended by the classification study, additional review is necessary before

final actions are taken as to some of the new classifications. The consulting firm of David M. Griffith and Associates, who prepared the final report, has been directed to submit detailed analyses and justifications for those positions which are scheduled to receive an annual salary increase of more than 5%. Although the Board of Supervisors can either approve or disapprove the mediated settlement agreement, if this legislation is approved, the Director of Human Resources will make the determinations regarding the final salary levels.

Mr. Kellar reports that the provisions for implementing the results of the classification study were submitted for mediation by the City and Local 21 following failure to resolve certain aspects of the proposed implementation during meet and confer sessions. The mediated settlement agreement between the parties was concluded on November 20, 1996.

The proposed legislation would implement the results of the Agreement between the City and Local 21 regarding the implementation of the classification study of the City's Information Systems positions. Significant points of the Agreement are as follows:

1. The purpose of the proposed mediated settlement agreement is to implement the results of the classification study with regard to positions represented by Local 21, including proposed wage rates for 28 new classifications created as a result of the IT Study.
2. According to the Agreement, the parties estimated that the classification study would be implemented on May 17, 1997 and that the classification study would be implemented no later than the final pay period of FY 1996-97. According to Mr. Geoff Rothman, Director of the Employee Relations Division, the classification study would now be implemented by the end of the fiscal year.



3. At the time of the implementation of the Study, provisional employees<sup>1</sup> shall be awarded the step increases to which they would have been entitled had they become permanent employees at the date of appointment in their current provisional classifications, only if sufficient funds are available at the time of implementation.

4. Employees whose salaries would otherwise be reduced as a result of the classification implementation shall continue at their current rates of pay with no further increases until such time as their respective salary rates are the same or greater than their current rates of pay.

5. Employees who have served more than one year and one day in their current provisional classifications and departments shall serve a probationary period of 60 days in their permanent successor classifications.

6. Employees who are permanent in their current classifications shall continue to carry forward accrued seniority in their successor positions. Employees who are provisional in their current classifications, upon becoming permanent in a successor classification, shall carryforward seniority from the appointment date in their most recent respective provisional classification, as if they had been permanent in those respective classifications.

7. Classification 1739, Computer Operations Supervisor II, which would be abolished and reclassified as Classification 1005, IS Operations Supervisor, shall not be affected until such time as the present incumbents have vacated or been removed from the classification. However, no new positions shall be allocated to Classification 1739 and no further examinations for that classification shall be administered.

8. Classification 1860, Computer Operations Support Supervisor, is scheduled to be reclassified to Classification 1005, IS Operations Supervisor. The lone current employee in Classification 1860 may request reclassification to Classification 1739, Computer

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<sup>1</sup>Provisional employees are City employees who were not selected from a Civil Service eligible list, but whose positions are subject to be filled from a Civil Service eligible list. Provisional employees retain their provisional status until a Civil Service eligible list is established and they may be selected from that list if they are reachable. At that time, they become permanent employees.

Operations Supervisor II, prior to implementation of the reclassifications in lieu of the proposed reclassification to Classification 1005.

9. The title of Classification 1070 shall be IS Project Director, and the HRD shall amend the job specifications to be consistent with the classification title, subject to appeal to the Civil Service Commission.

10. Regarding the IS classifications, the City agrees to recognize Local 21 as the collective bargaining representative for any classification which constitutes a successor classification to a classification which Local 21 currently represents.

11. Appointments are to be made, at the nearest step to, but not less than, the employees current salary, not to exceed the maximum of the salary range.

12. Arbitrator Walter Kintz, who was retained by the City and Local 21 to mediate the settlement agreement, is to retain jurisdiction over the provisions of the Agreement.

**Comments:**

1. HRD estimates that subject to changes from 182 appeals presently being processed, implementation of the classification study would result in total annual salary increases of \$1,465,213, or an average annual salary increase of \$3,015 for the 486 affected positions. Mr. Madden of the Controller's Office concurs with this cost estimate but notes that the large number of appeals presently in process could significantly change this cost estimate based on the final determinations on individual reallocations which will be made by the Director of Human Resources, subject to appeal to the Civil Service Commission. According to Mr. Madden, funding for implementation of the reclassifications is being requested in the FY 1997-98 budget.

2. Based on data provided to the Budget Analyst by HRD, a total of 486 positions would be affected by the proposed reclassifications. Of the 486 affected positions, 438 are currently represented by Local 21 and would continue to be represented by Local 21. The remaining 48 positions are currently represented by other unions or are unrepresented, and would all, under the provisions of the proposed settlement agreement, be represented by Local 21.

3. The Human Resources Director has thus far approved 363 reallocations resulting in increases of 5% or less, as well as allocations to successor classes listed below, which exceed 5%. Attachment III to this report identifies, with an asterisk, those 363 positions. 285 of these positions will not receive any increase. The annual cost of the salary increases approved by the Director of Human Services to date, covering 78 of the 486 employees, is \$225,634. The balance of the estimated annual increased salary costs of \$1,239,579 (\$1,465,213 less \$225,634) represent reallocations which have not yet been finalized and are still being reviewed.

<u>Classification Number</u>	<u>Position Title</u>	<u>Percent Increase</u>
1002	Operator-Journey	6.3
1003	Operator-Senior	5.4
1005	Operator-Supervisor	8.6
1005	Operator-Supervisor	6.0
1005	Operator-Supervisor	9.2

The above classifications represent 44 Positions. According to HRD the increased costs for the Operator series is due to the fact that 5 diverse classes with varying pay ranges, some of which exceed the proposed rates, have been consolidated into the Operator-Supervisor class. Additionally, previous premiums paid to lower level classes have been incorporated into these rates.

4. Although still under review and subject to revision, the proposed salary increases range from \$209 to \$34,243, annually. In total, 58 positions would receive annual salary increases of over \$10,000. Attachment II to this report is a memorandum from Ms. Marini of HRD describing the functions for nine of the positions which would receive annual salary increases in excess of \$15,000.

5. Mr. Kellar reports that Section 9.14.2 of the Civil Service rules provides that permanent employees in positions in former classifications which are reallocated to new classifications are granted permanent status in the new classifications if the difference between the salary ranges of the former classifications and the new classifications do not exceed five percent. However, even if the new salary does exceed five percent, the appointing officer could still appoint the existing employee to the position at the new higher salary on a provisional basis. Subsequently, the employee appointed on the provisional basis would have to compete with all other

qualified applicants for a permanent appointment through a Civil Service examination, but only at some time in the future when the examination is held.

6. According to Mr. Rothman, this labor agreement establishes rates of pay and related administrative procedures governing represented information technology classifications, but does not govern the allocation of positions resulting from the classification study. The negotiated rates of pay represent total new costs of \$449,808. Any additional costs which result from the implementation of the study are not governed by the terms of the labor settlement, but are the result of the allocation of positions to the new classifications by the Director of Human Resources and the Civil Service Commission.

7. As requested by the Finance Committee at its meeting of February 19, 1997, Attachment III to this report contains a listing of all positions which have been scheduled for a pay increase under this proposed legislation, and which are currently filled by a City employee, together with the appointment date that employee began working for the City at their present base salary level. Such base salary levels exclude any step increases and the latest 2.5 percent increase granted to such employees. In total, there are 201 positions that are currently filled that would receive salary increases ranging from \$209 to \$34,243, annually. It should be noted that of the 201 currently filled positions in question, 66 of the employees, or approximately 33 percent of such employees, have been working for the City for a minimum of five years (hired prior to 1992) at their present base salary level (excluding step increases and the latest 2.5 percent increase).

8. According to Ms. Vicki Clayton of the City Attorney's Office, the proposed settlement agreement is not a final arbitration award and is not binding unless it is approved by the Board of Supervisors. However, Ms. Clayton further advises that should the Board of Supervisors not approve the mediated settlement, bargaining would resume and if an agreement was not reached the matter would proceed to binding arbitration.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



City and County of San Francisco



Department of Human Resources

WENDELL L. PRYOR,  
HUMAN RESOURCES DIRECTOR

## BRIEFING PAPER

Date: June 5, 1996

To: Honorable Civil Service Commission

From: Wendell L. Pryor  
Human Resources Director

RE: INFORMATION SYSTEMS CLASSIFICATION STUDY

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Background:

In 1990 the Civil Service Commission contracted with a consultant group from the East coast to perform a classification study of Information Systems (IS) positions Citywide. Various departments requested this study because many of the IS positions were not classified, some positions were budgeted in 'A' classes, in many instances examinations had not been given in a long time, and many positions were occupied by provisional employees who did not receive salary increases or the other benefits of permanent status. Additionally, the current series of job classes was not perceived as adequately serving the needs of departments. The IS classes were associated with a predominately centralized main-frame operation that was now drastically changing to a decentralized environment of personal computer networks with unique applications in user departments. This made it increasingly difficult to attract and retain the level of expertise to meet the City's current and future information system needs.

The IS study begun in 1990, relied extensively on the expertise and staff assistance of the outside consultant. Due to a variety of problems, including a dispute over the acceptability of key deliverables, the project stalled. In 1993 I decided that a different approach was required. A Working Group was established consisting of a project manager from this department, employees recommended by IS managers in key departments, and members of Local 21 and their business representative. The Working Group met over a period of eight months on a regular basis and was successful in reaching consensus on a "class concept plan" that outlined the new job classes that would provide broad classes which would service the IS needs of all departments. This plan was presented to the rest of the IS community and received general approval. Upon completion of this task, the position classification questionnaires (PCQ) on file were redistributed to incumbents and updated, and new PCQs collected for new positions.

Due to a variety of reasons it was determined that a new consultant should be selected to complete the study. David M. Griffith and Associates (DMG) was selected in January of 1995. DMG has worked closely with DHR staff, the Working Group, and a Project Steering Committee.

consisting of key IS managers to reach the project's current stage of near completion. The following tasks have now been completed:

- Validated and amended the classification concept plan
- Reviewed all PCQs and allocated positions to proposed new classes in consultation with affected managers
- Developed classification specifications and a matrix indicating relationships of classes
- Presented the results of allocation process to the managers and incumbents
- Accepted requests for review of allocation recommendations
- Conducted a salary study of comparable IS classes in selected public jurisdictions and presented results to DHR managers
- Presented the results of the consultant's response to requests for review of allocation recommendations to the managers and incumbents. DHR also introduced concepts for an IS training and career opportunity center
- Held initial meet-and-confer sessions with Local 21 regarding salaries for the new classes and other issues required to implement the study.

**Remaining tasks:**

1. **Posting of Classification Actions** - Based on the results of the study, DHR staff will post, as recommended actions of the Director of Human Resources, the class specifications of all proposed new classes and classification of all positions in the study. Employees will be notified of the process for appealing these recommendations to the Director.

2. **Managing of Appeal Process** - DHR staff will manage the formal appeal process using the expertise of DMG to resolve appeals. Upon review and response to appeals received, DHR will post the Final Actions of the Director of Human Resources. This will consist of the original recommendations and any changes made as a result of the above-mentioned appeals. Appellants will be notified of the process for appealing the Director's Final Actions to the Civil Service Commission.

3. **Final Report** - DMG will present a final report to DHR documenting the entirety of the study.

4. **Related Issues** - DHR will determine the policy on related issues such as status and the possibility of 'Y' rating, and meet-and-confer with affected unions where necessary.

5. **Examinations** - The DHR project team will conduct examinations for all IS classifications established from the study.



ANDREA R. GOURDINE  
HUMAN RESOURCES DIRECTOR

Date: February 14, 1997

To: Stan Jones  
Budget Analyst

From: Linda Martin *Linda Martin*  
Acting Operations Manager, DHR

Subject: Information Systems Classification Study

This is written in response to your request for specific information on positions scheduled for significant salary increases. Although you have noted that twelve of the 487 positions to be reallocated to the new series will be compensated at least \$15,000 more than currently budgeted, two of these positions are under review and expected to be reallocated to lower level classes. Additionally the position subject to the greatest salary increase has been vacated and the department has been advised to submit a current job description for review by DHR staff. It is anticipated that the recommendation for this particular job will be revised.

Allocation recommendations for the remaining positions resulted from the study which was begun in 1990 and completed in September, 1995 by the consulting firm of David M. Griffiths and Associates. Although duties of many of the affected positions changed dramatically during that time due to changes in technology and reorganizations, departments did not necessarily adjust budgets to reflect the appropriate classes. For example, it is noted that six of the remaining nine positions are located at the department of Public Health which has experienced significant changes due to implementation of a managed care system. Additionally, significant classification problems and misallocations had occurred within the entire series due to the fact that the existing classifications were archaic and salaries were not competitive within this dynamic field. Also, it is not uncommon to discover misallocated positions during the course of a major study as departments do not always advise Human Resources when new or different duties are assigned to employees.

The consultant's analysis indicated that the essential functions of the remaining positions are consistent with the recommended classes as indicated below:

Budgeted class:	Recommended class:	Essential function:
1370 Special Asst. XI	1043 Engineer- Senior	Responsible for telecommunication network development, engineering and implementation for citywide voice and data communication.

Budgeted Class:	Recommended Class:	Essential function:
1802 Research Asst.	1053 Business Analyst-Sr.	Provides systems support for providers and administrators in Community Substance Abuse Services of DPH.
1720 Data Entry Operator	1013 IS Technician-Sr.	Performs complex problem solving to identify causes of equipment failure within DPH MIS functions
1818 MIS Specialist II	1054 Bus Anal Principal	Oversces difficult and complex systems and telecommunications development and implementation within the Department of Transportation
1819 MIS Specialist III	1044 Engineer Principal	Supervises a staff of network analysts providing support for personal computers, automation and local area networks within the mental health and substance abuse division of DPH
1819 MIS Specialist III	1070 Project Director	Manages, directs and schedules system operations and processing for computer generated posting, claiming, and reporting information for over 200 programs
1819 MIS Specialist III	1070 Project Director	Manages all information systems projects supporting billing activities within the division of substance abuse services within DPH
1874 Sr Prog Analyst	1054 Bus Anal Principal	Manages and provides technical leadership for projects involving billing, quality assurance and managed care for the billing and information systems sections of mental health.
7379 Elec Transit Mech	1023 Administrator III	Manages MIS network for the maintenance division of the Department of Transportation

LMRK\gc  
cc: Andrea Gourdine  
Geoff Rothman

Thursday, May 15, 1997

Page 1

**IS STUDY**  
**ESTIMATED ANNUAL SALARY INCREASE**  
**BY ALLOCATION**  
**Classes to be represented by Local 21**

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1370	SPECIAL ASSISTANT XI	\$61,726.50	1.00	1043	Engineer-Senior	\$76,890.60	\$15,164.10
1370	SPECIAL ASSISTANT XI	\$61,726.50	5.00	1053	Business Analyst-Senior*	\$64,519.20	\$2,792.70
1404	CLERK	\$32,598.90	1.00	1002	Operator-Journey	\$36,722.70	\$4,123.80
1426	SENIOR CLERK TYPIST	\$37,088.10	1.00	1002	Operator-Journey*	\$37,088.10	\$0.00
1640	SENIOR ACCOUNTING MACHINE OPERATOR	\$44,317.80	4.00	1021	Administrator I*	\$44,317.80	\$0.00
1720	DATA ENTRY OPERATOR	\$30,354.30	1.00	1013	Technician-Senior	\$49,563.90	\$19,209.60
1734	COMPUTER OPERATOR I	\$30,928.50	1.00	1002	Operator-Journey	\$36,722.70	\$5,794.20
1734	COMPUTER OPERATOR I	\$30,928.50	1.00	1003	Operator-Senior	\$42,047.10	\$11,118.60
1736	COMPUTER OPERATOR II	\$34,530.30	20.00	1002	Operator-Journey*	\$36,722.70	\$2,192.40
1736	COMPUTER OPERATOR II	\$34,530.30	1.00	1003	Operator-Senior	\$42,047.10	\$7,516.80
1736	COMPUTER OPERATOR II	\$34,530.30	2.00	1021	Administrator I	\$42,647.40	\$8,117.10
1737	SENIOR COMPUTER OPERATOR	\$39,880.80	9.00	1003	Operator-Senior*	\$42,047.10	\$2,166.30
1737	SENIOR COMPUTER OPERATOR	\$39,880.80	1.00	1004	Operator-Analyst	\$46,066.50	\$6,185.70
1738	COMPUTER OPERATIONS SHIFT SUPERVISOR	\$47,214.90	1.00	1003	Operator-Senior*	\$47,214.90	\$0.00
1738	COMPUTER OPERATIONS SHIFT SUPERVISOR	\$47,214.90	4.00	1005	Operator-Supervisor*	\$51,286.50	\$4,071.60
1739	COMPUTER OPERATIONS SUPERVISOR II.....	\$60,525.90	3.00	1005	Operator-Supervisor*	\$60,525.90	\$0.00
1741	COMPUTER OPERATIONS SUPERVISOR I.....	\$48,363.30	1.00	1005	Operator-Supervisor*	\$51,286.50	\$2,923.20
1780	ASST CHIEF, COMPUT OPER AND SUPPORT SERV	\$63,266.40	1.00	1022	Administrator II*	\$63,266.40	\$0.00
1780	ASST CHIEF, COMPUT OPER AND SUPPORT SERV	\$63,266.40	1.00	1023	Administrator III*	\$63,266.40	\$0.00
1802	RESEARCH ASSISTANT	\$44,317.80	1.00	1053	Business Analyst-Senior	\$64,519.20	\$20,201.40
1804	STATISTICIAN	\$47,684.70	1.00	1052	Business Analyst	\$55,773.50	\$8,088.80
1807	MANAGEMENT INFORMATION SYSTEMS TECH II..	\$30,928.50	4.00	1002	Operator-Journey	\$36,722.70	\$5,794.20

\* allocation recommendations that result in up to a 5% increase in salary or are to successor classes

Thursday, May 15, 1997

Page 2

**IS STUDY**  
**ESTIMATED ANNUAL SALARY INCREASE**  
**BY ALLOCATION**  
**Classes to be represented by Local 21**

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1807	MANAGEMENT INFORMATION SYSTEMS TECH II..	\$30,928.50	5.00	1003	Operator-Senior	\$42,047.10	\$11,118.60
1807	MANAGEMENT INFORMATION SYSTEMS TECH II..	\$30,928.50	1.00	1011	Technician-Assistant	\$32,598.90	\$1,670.40
1807	MANAGEMENT INFORMATION SYSTEMS TECH II..	\$30,928.50	4.00	1012	Technician-Journey	\$42,856.20	\$11,927.70
1808	MANAGEMENT INFORMATION SYSTEMS TECH I...	\$28,136.00	2.00	1002	Operator-Journey	\$36,722.70	\$8,586.70
1808	MANAGEMENT INFORMATION SYSTEMS TECH I...	\$28,136.00	1.00	1003	Operator-Senior	\$42,047.10	\$13,911.10
1808	MANAGEMENT INFORMATION SYSTEMS TECH I...	\$28,136.00	3.00	1012	Technician-Journey	\$42,856.20	\$14,720.20
1808	MANAGEMENT INFORMATION SYSTEMS TECH I...	\$28,136.00	1.00	1424	Clerk Typist	\$33,877.80	\$5,741.80
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	1.00	1012	Technician-Journey*	\$42,856.20	\$208.80
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	15.00	1021	Administrator I*	\$42,647.40	\$0.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	7.00	1022	Administrator II	\$51,808.50	\$9,161.10
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	1.00	1031	Trainer-Assistant*	\$42,647.40	\$0.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	1.00	1042	Engineer-Journey	\$69,426.00	\$26,778.60
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	1.00	1043	Engineer-Senior	\$76,890.60	\$34,243.20
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	2.00	1051	Bus Analyst-Assistant	\$48,128.40	\$5,481.00
1811	MANAGEMENT INFO SYSTEMS SPECIALIST I....	\$42,647.40	1.00	1052	Business Analyst	\$55,723.50	\$13,076.10
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	4.00	1021	Administrator I*	\$51,808.50	\$0.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	42.00	1022	Administrator II*	\$51,808.50	\$0.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	3.00	1023	Administrator III	\$62,953.20	\$11,144.70
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	2.00	1032	Trainer-Journey*	\$51,808.50	\$0.00

\* allocation recommendations that result in up to a 5% Increase in salary or are to successor classes



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**IS STUDY  
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Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	2.00	1033	Trainer-Senior	\$62,953.20	\$11,144.70
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	1.00	1041	Engineer-Assistant	\$62,666.10	\$10,857.60
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	1.00	1044	Engineer-Principal	\$82,710.90	\$30,902.40
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	4.00	1052	Business Analyst	\$55,723.50	\$3,915.00
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	2.00	1053	Business Analyst-Senior	\$64,519.20	\$12,710.70
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	1.00	1054	Bus Analyst-Principal	\$74,698.20	\$22,889.70
1818	MANAGEMENT INFO SYSTEMS SPECIALIST II...	\$51,808.50	1.00	1063	Programmer Analyst-Senior	\$58,203.00	\$6,394.50
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	5.00	1022	Administrator II*	\$62,953.20	(\$0.00)
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	26.00	1023	Administrator III*	\$62,953.20	\$0.00
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	4.00	1024	Administrator-Supervisor	\$67,755.60	\$4,802.40
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	5.00	1033	Trainer-Senior*	\$62,953.20	\$0.00
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	7.00	1042	Engineer-Journey	\$69,426.00	\$6,472.80
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	2.00	1043	Engineer-Senior	\$76,890.60	\$13,937.40
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	1.00	1044	Engineer-Principal	\$82,710.90	\$19,757.70
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	2.00	1052	Business Analyst*	\$62,953.20	\$0.00
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	2.00	1053	Business Analyst-Senior*	\$64,519.20	\$1,566.00
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	8.00	1054	Bus Analyst-Principal	\$74,698.20	\$11,745.00
1819	MANAGEMENT INFO SYSTEMS SPECIALIST III...	\$62,953.20	2.00	1070	Project Director	\$78,430.50	\$15,477.30
1821	MANAGEMENT INFO SYSTEMS MANAGER	\$72,897.30	1.00	1054	Bus Analyst-Principal*	\$74,698.20	\$1,800.90

\* allocation recommendations that result in up to a 5% increase in salary or are to successor classes

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**IS STUDY**  
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**Classes to be represented by Local 21**

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1821	MANAGEMENT INFO SYSTEMS MANAGER	\$72,897.30	8.00	1070	Project Director*	\$78,430.50	\$5,533.20
1853	CONTROL CLERK, EDP	\$35,026.20	5.00	1002	Operator-Journey*	\$36,722.70	\$1,696.50
1853	CONTROL CLERK, EDP	\$35,026.20	1.00	1003	Operator-Senior	\$42,047.10	\$7,020.90
1853	CONTROL CLERK, EDP	\$35,026.20	1.00	1012	Technician-Journey	\$42,856.20	\$7,830.00
1853	CONTROL CLERK, EDP	\$35,026.20	1.00	1061	Prog Analyst-Assistant	\$44,317.80	\$9,291.60
1855	SENIOR CONTROL CLERK, EDP	\$38,549.70	3.00	1002	Operator-Journey*	\$38,549.70	\$0.00
1855	SENIOR CONTROL CLERK, EDP	\$38,549.70	1.00	1003	Operator-Senior	\$42,047.10	\$3,497.40
1856	ASST CONTROL SUPERVISOR, EDP	\$41,446.80	1.00	1002	Operator-Journey*	\$41,446.80	\$0.00
1856	ASST CONTROL SUPERVISOR, EDP	\$41,446.80	1.00	1003	Operator-Senior*	\$42,047.10	\$600.30
1858	CONTROL SUPERVISOR, EDP	\$46,980.00	2.00	1005	Operator-Supervisor*	\$51,286.50	\$4,306.50
1858	CONTROL SUPERVISOR, EDP	\$46,980.00	1.00	1051	Bus Analyst-Assistant*	\$48,128.40	\$1,148.40
1860	COMPUTER OPERATIONS SUPPORT SUPERVISOR..	\$60,525.90	1.00	1005	Operator-Supervisor*	\$60,525.90	\$0.00
1860	COMPUTER OPERATIONS SUPPORT SUPERVISOR..	\$60,525.90	1.00	1024	Administrator-Supervisor	\$67,755.60	\$7,229.70
1861	SYSTEMS AND PROCEDURES ANALYST, SPEC PROJ	\$55,723.50	1.00	1023	Administrator III	\$62,953.20	\$7,229.70
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	1.00	1042	Engineer-Journey	\$69,426.00	\$13,702.50
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	5.00	1052	Business Analyst*	\$55,723.50	\$0.00
1862	SYSTEMS AND PROCEDURES ANALYST	\$55,723.50	1.00	1053	Business Analyst-Senior	\$64,519.20	\$8,795.70
1863	SR SYS AND PROCEDURES ANALYST, SPEC PROJ	\$64,519.20	1.00	1053	Business Analyst-Senior*	\$64,519.20	\$0.00
1863	SR SYS AND PROCEDURES ANALYST, SPEC PROJ	\$64,519.20	1.00	1054	Bus Analyst-Principal	\$74,698.20	\$10,179.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1005	Operator-Supervisor*	\$64,519.20	\$0.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1022	Administrator II*	\$64,519.20	\$0.00

\* allocation recommendations that result in up to a 5% increase in salary or are to successor classes



**IS STUDY**  
**ESTIMATED ANNUAL SALARY INCREASE**  
**BY ALLOCATION**  
**Classes to be represented by Local 21**

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1023	Administrator III*	\$64,519.20	\$0.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	1.00	1024	Administrator-Supervisor*	\$67,755.60	\$3,236.40
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	35.00	1053	Business Analyst-Senior*	\$64,519.20	\$0.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	4.00	1054	Bus Analyst-Principal	\$74,698.20	\$10,179.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	4.00	1063	Prog Analyst-Senior*	\$64,519.20	\$0.00
1864	SR SYSTEMS AND PROCEDURES ANALYST	\$64,519.20	2.00	1064	Prog Analyst-Principal*	\$67,755.60	\$3,236.40
1865	SYSTEMS AND PROCEDURES SUPV. SPEC PROJ	\$74,698.20	2.00	1054	Bus Analyst-Principal*	\$74,698.20	\$0.00
1866	SYSTEMS AND PROCEDURES SUPERVISOR	\$74,698.20	1.00	1044	Engineer-Principal	\$82,710.90	\$8,012.70
1866	SYSTEMS AND PROCEDURES SUPERVISOR	\$74,698.20	2.00	1054	Bus Analyst-Principal*	\$74,698.20	\$0.00
1866	SYSTEMS AND PROCEDURES SUPERVISOR	\$74,698.20	12.00	1070	Project Director*	\$78,430.50	\$3,732.30
1868	TELEPROCESSING TECHNICIAN	\$47,214.90	11.00	1012	Technician-Journey*	\$47,214.90	\$0.00
1868	TELEPROCESSING TECHNICIAN	\$47,214.90	2.00	1013	Technician-Senior*	\$49,563.90	\$2,349.00
1872	PROGRAMMER ANALYST	\$47,893.50	16.00	1062	Programmer Analyst*	\$47,893.50	\$0.00
1872	PROGRAMMER ANALYST	\$47,893.50	1.00	1063	Programmer Analyst-Senior	\$58,203.00	\$10,309.50
1873	SYSTEMS PROGRAMMER	\$69,426.00	8.00	1042	Engineer-Journey*	\$69,426.00	\$0.00
1873	SYSTEMS PROGRAMMER	\$69,426.00	4.00	1043	Engineer-Senior	\$76,890.60	\$7,464.60
1873	SYSTEMS PROGRAMMER	\$69,426.00	1.00	1063	Prog Analyst-Senior*	\$69,426.00	\$0.00
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	1.00	1042	Engineer-Journey	\$69,426.00	\$11,223.00
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	4.00	1053	Business Analyst-Senior	\$64,519.20	\$6,316.20
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	1.00	1054	Bus Analyst-Principal	\$74,698.20	\$16,495.20
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	1.00	1062	Programmer Analyst*	\$58,203.00	\$0.00

\* allocation recommendations that result in up to a 5% increase in salary or are to successor classes

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**IS STUDY**  
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**Classes to be represented by Local 21**

Current Class#	Class Title	Current Annual Salary-step 5	Position Count	New Class #	New Class Title	Proposed Annual Salary-step 5	Annual Increase
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	44.00	1063	Prog Analyst-Senior*	\$58,203.00	\$0.00
1874	SENIOR PROGRAMMER ANALYST	\$58,203.00	1.00	1064	Prog Analyst-Principal	\$67,755.60	\$9,552.60
1875	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	1.00	1023	Administrator III*	\$76,890.60	\$0.00
1876	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	19.00	1043	Engineer-Senior*	\$76,890.60	\$0.00
1875	SENIOR SYSTEMS PROGRAMMER	\$76,890.60	3.00	1044	Engineer-Principal	\$82,710.90	\$5,820.30
1876	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	1.00	1042	Engineer-Journey*	\$69,426.00	\$1,670.40
1876	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	3.00	1044	Engineer-Principal	\$82,710.90	\$14,955.30
1876	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	4.00	1054	Bus Analyst-Principal	\$74,898.20	\$6,942.60
1876	DATA PROCES PROGRAMMING AND SYSTEMS SUPV	\$67,755.60	10.00	1064	Prog Analyst-Principal*	\$67,755.60	\$0.00
1877	SUPERVISING SYSTEMS PROGRAMMER	\$85,164.30	3.00	1044	Engineer-Principal*	\$85,164.30	\$0.00
2320	REGISTERED NURSE	\$60,473.70	1.00	1054	Bus Analyst-Principal	\$74,898.20	\$14,224.50
3616	LIBRARY TECHNICAL ASSISTANT I	\$43,900.20	1.00	1013	Technician-Senior	\$49,563.90	\$5,663.70
7379	ELECTRICAL TRANSIT MECHANIC	\$47,684.70	1.00	1023	Administrator III	\$62,953.20	\$15,268.50
A114	MANAGEMENT INFO SYSTEMS MANAGER	\$79,213.50	1.00	1070	Project Director*	\$79,213.50	\$0.00
A978	SENIOR DATABASE ADMINISTRATOR	\$71,436.70	1.00	1044	Engineer-Principal	\$82,710.90	\$11,275.20

budgpos2

Number of Positions:

486.00

\* allocation recommendations that result in up to a 5% increase in salary or are to successor classes

Item 5 - File 93-97-7

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance adopting and implementing the provisions of the amendment to the Memorandum of Understanding (MOU) between Building Material & Construction Teamsters, Local 216 and the City and County of San Francisco providing that all covered employees be placed into full retirement contribution status retroactive to January 11, 1997 following approval by the Mayor.

**Description:** The Board of Supervisors previously approved legislation ratifying an MOU between the City and the Building Material & Construction Teamsters, Local 216 for the three year period between July 1, 1995 to June 30, 1998 (File 93-95-20).

Mr. Kieran Murphy of the Employees Retirement System advises that employee contributions to the Retirement System made by City employees are either (1) "full pre-tax" contributions (that is, Federal and State income taxes on all of the employee's contributions to the Retirement System are deferred until the money is paid to the employee either in the form of a refund upon separation from the City, or in the form of a retirement benefit payment), or (2) "partial pre-tax and partial after-tax" contributions (that is, income taxes are deferred on only a portion of the covered employee's contributions to the Retirement System).

In accordance with Administrative Code Section 16.61-1, employees generally make an individual choice as to whether their contributions would be fully pre-taxable or partially pre-taxable/partially after-taxable. However, Section 16.61-1(4)(a) of the Administrative Code provides that MOUs may specify, under the mutual agreement of the bargaining unit and the City, that all covered employees who are members of the Retirement System will be placed into either full pre-tax contribution status or into partial pre-tax/partial after-tax contribution status.

The proposed ordinance would amend the MOU between the City and Building Material & Construction Teamsters, Local 216, pursuant to Section 16.61-1(4)(a), to provide that all employees covered by this MOU be placed into full pre-tax contribution status. The purpose of this amendment is to allow those covered employees who are currently under partial pre-tax/partial after-tax status to be converted to full

**Memo to Finance Committee**  
**May 21, 1997 Finance Committee Meeting**

pre-tax contribution status and thereby have all their income taxes deferred.

**Comment:**

According to Mr. Murphy, the proposed amendment to the MOU will have no fiscal impact on the City, but would change the amount of Federal and State taxes that would be withheld from the converted employees covered under the subject MOU.

**Recommendations:** 1. Amend the proposed ordinance to provide for retroactive action previously taken.

2. Approve the proposed ordinance as amended.



Item 6 - File 93-97-34

**Department:** Human Resources Department (HRD)

**Item:** Ordinance adopting and implementing the provisions of an Arbitrator's Award, granting acting assignment pay to 25 employees retroactive to November 10, 1994, pursuant to a grievance filed pursuant to the Memorandum of Understanding (MOU) between the International Federation of Professional and Technical Engineers (IFPTE), Local 21, AFL-CIO, and the City and County of San Francisco.

**Description:** The proposed ordinance would adopt and implement the provisions of an Arbitrator's Award, pursuant to a grievance filed by the International Federation of Professional and Technical Engineers (IFPTE), Local 21, in accordance with a Memorandum of Understanding (MOU) between IFPTE and the City for the period from July 1, 1994 through June 30, 1998. This MOU was approved by the Board of Supervisors in June of 1994 (File 93-94-12).

In April 1994, the Civil Service Commission received a report from the consulting firm of Ernst & Young, which had been retained by the Civil Service Commission to conduct a classification study of entry level and journey level accountants. The report concluded that 25 entry level accountant positions (1650 Accountant) were performing a preponderance of duties consistent with the journey level classification (1652 Senior Accountant). On November 10, 1994, the Human Resources Department (HRD) adopted the study's recommendations. On October 12, 1995, IFPTE filed a grievance, claiming acting assignment pay for the 25 Class 1650 Accountants who were performing the duties of the 1652 Senior Accountant classification, retroactive to April 29, 1994, the date on which the HRD became informed of the study's conclusions.

Acting assignment pay is paid to employees who perform a substantial portion of the duties and responsibilities of a higher classification for longer than 10 consecutive working days. Acting assignment pay is paid at the step of the established salary schedule of the higher class which is at least five percent above the employee's base salary, but which does not exceed the maximum step of the salary schedule of the higher class.

Agreement between the HRD's Employee Relations Division (ERD) and the Union was reached through mediation on all issues except the effective date of the acting assignment pay. The Union was seeking acting assignment pay retroactive to

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April 29, 1994, the date on which the HRD became informed of the study's conclusions. The ERD argued that the Union's claim be limited to 20 working days prior to the filing of its grievance on October, 12, 1995, in accordance with the MOU. The issue was submitted to binding arbitration and an arbitration award was made on January 19, 1997. The arbitrator determined that the claim for acting assignment pay for the 25 Class 1650 Accountants was not limited to the 20 working days prior to the filing of the grievance, but that, due to equity considerations provided for in the MOU, the acting assignment pay should be calculated from November 10, 1994, the date on which the HRD adopted the study's recommendations.

The arbitration award covers 25 employees under the 1650 Accountant classification. The proposed ordinance would adopt and implement the provisions of the arbitrator's award, as follows:

Acting Assignment Pay shall be paid to the 25 grievants beginning on November 10, 1994. Acting Assignment Pay shall continue to be paid to each of the grievants until any one of the following events occurs:

- The grievant is appointed to a Class 1652 Senior Accountant position or to a position in another classification;
- The grievant is removed or transferred from his or her current position (identified by the Ernst & Young study as being assigned the duties of a Class 1652 Senior Accountant) and placed into another Class 1650 Accountant position which is not assigned the duties of a Class 1652 Senior Accountant, or into another appropriate position;
- The duties assigned to the grievant's current position (identified by the Ernst & Young study as being the duties of a Class 1652 Senior Accountant) are modified so that the grievant no longer continues to perform the duties of the Class 1652 Senior Accountant classification; or
- The grievant is separated from City and County employment.

**Comments:**

1. As shown in the table below and on the Attachment, the Controller estimates that the proposed arbitrator's award would result in a one-time cost to the City of approximately

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

\$134,300 for acting assignment pay for the 25 Class 1650 Accountants, for the period from November 10, 1994 through June 30, 1997. In addition, the Controller's Office reports that the proposed award would result in a minimal incremental cost in FY 1997-98 for on-going acting assignment pay as the 25 Class 1650 Accountant positions are modified or transferred. The Controller's Office advises that a funding source for this payment has not yet been identified. The Budget Analyst concurs with the Controller's estimates.

[a] Current Biweekly Salary for 1650 Accountant at Step 5	\$1,573
[b] Approximate Biweekly Acting Assignment Pay for 1650 Accountant Positions (5.0% of [a])	\$79
[c] Number of 1650 Accountant Positions eligible for Acting Assignment Pay	25
[d] Number of Pay Periods between November 10, 1994 and June 30, 1997	68
[e] Approximate Total Cost to City for Acting Assignment Pay for period from November 10, 1994 through June 30, 1997 ([b] x [c] x [d])	<u>\$134,300</u>

2. According to Ms. Vicki Clayton of the City Attorney's Office, in accordance with Charter Section A 8.409-4, the decision of the arbitrator is final and binding upon all the parties to the dispute, unless the award is procedurally or legally invalid. Ms. Clayton reports that there are no known provisions of the subject award that are procedurally or legally invalid.

**Recommendation:** Approve the proposed ordinance.

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**BUDGET ANALYST**



CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

May 15, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: IFPTE Local 21 Arbitration Award

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an arbitration award between the City and County of San Francisco and Local 21, International Federation of Professional and Technical Engineers for the period of November 10, 1994 through June 30, 1997. This award will affect 25 employees.

Based on our analysis, this award will result in a cost of approximately \$134,300 for current and retroactive wage increases. This award may also result in a minimal incremental cost in FY 1997-98 as the positions affected are modified or transferred. At the time of this analysis, we are not aware of a specific funding source to pay for this award.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington  
Controller

Attachment

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Item 7 - File 64-97-6

**Department:** Department of Real Estate (DRE)  
Public Library

**Item:** Resolution authorizing and approving a new lease of space at 2601 Mission Street for a temporary location for the Mission Branch Library while the Mission Branch Library undergoes seismic reinforcement and renovations.

**Location:** Fifth floor of the Bay View Federal Bank building located at 2601 Mission Street

**Purpose of Lease:** To provide a temporary location for the Mission Branch Library, located at 3359-24th Street while the Mission Branch Library undergoes seismic reinforcement and renovations.

**Lessor:** Bay View Federal Bank

**Lessee:** City and County of San Francisco

**No. of Sq. Ft. and Cost Per Month:** 5,198 square feet @ approximately \$1.25 per square foot for a total of \$6,497.50 per month.

**Annual Cost:** \$77,970

**Term of Lease:** 5 years beginning upon execution of the lease, with the City having an option to cancel the lease at any time after the second year.

**Utilities and Janitorial Services:** Landlord is responsible for utilities and janitorial services.

**Source of Funds:** 1988 Public Library Improvement Bond Interest Earnings

**Description:** The proposed five-year lease would allow the Mission Branch Library, currently located at 3359-24th Street, a City-owned building, to temporarily relocate during seismic reinforcement and renovation of the building. According to Mr. Jim Cheng of the Department of Public Works, the seismic reinforcement and renovation work is anticipated to begin in November of 1997 and the Branch is scheduled to reopen in May of 1999 (19 months).

Under the proposed lease, the Mission Branch Library would occupy the entire fifth floor of the eight-story Bayview Federal Bank building located at 2601 Mission Street (cross

street is 22nd Street), consisting of 5,198 square feet compared to the 8,860 square feet contained in the Mission Branch Library. According to Mr. Richard Walsh of the Public Library, the space was selected because it is in close proximity to the current location of the Mission Branch Library, close to transportation, and the most suitable site in the area.

**Comments:**

1. Ms. Claudine Venegas of the DRE advises that the proposed monthly rental of \$1.25 per square foot represents the fair market value for the rental property. According to Ms. Venegas, this determination was made based upon a comparison with other rental locations in the immediate vicinity.
2. Ms. Venegas advises that, upon execution of the lease, the Landlord will renovate the premises, including painting, installing floor covering, and upgrading an elevator and restrooms on the fifth floor to make them handicapped accessible, at an estimated cost of \$60,000 to \$70,000. Such costs for these renovations will be entirely paid for by the Landlord.
3. According to Ms. Venegas, initial renovations, such as painting and installing the floor covering, will be completed approximately two weeks after execution of the lease. Ms. Marcia Schneider of the Public Library reports that the Mission Branch Library will begin moving on or about September 16, 1997, when it is anticipated that these initial renovations will be completed. Ms. Venegas advises that upgrading the elevator and restrooms will take longer, approximately 11 weeks, and that this work must be completed before the temporary library can be opened to the public.
4. The proposed lease is for five years, beginning upon execution of the lease, with the option for the City to cancel the lease at any time after the second year. Ms. Schneider of the Public Library advises that the Mission Branch Library anticipates occupying the temporary space for a minimum of two years. It is anticipated that it will take approximately 3 months until renovations are completed at the temporary facility and materials are moved in, 16 months of construction work on the permanent Mission Branch Library, and 3 months to move materials back to the permanent facility for a total of approximately 22 months, provided that the renovations to the Mission Branch Library are completed on schedule. The Attachment is a statement by the Department of Real Estate as to why the Department negotiated a five-year term for the proposed lease.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



5. Ms. Schneider advises that the Public Library proposes to rent this temporary site in order to provide access to the Mission Branch Library's Spanish language collection, a citywide resource not available in any other library. In addition, the temporary site will house the entire children's and teen collections, and the entire English language Latino/Hispanic interest collection. According to Ms. Schneider, of the remaining collection, approximately half of the English language collection will be moved to the temporary site and the other half will be placed in storage, pending re-opening of the permanent facility. The proposed lease facility is 5,198 square feet as compared to 8,860 square feet at the existing Mission Branch Library City-owned facility.

6. According to Ms. Venegas, provision for bicycle storage is part of the tenant improvements.

**Recommendation:** Approve the proposed resolution.

**City and County of San Francisco****Real Estate Department**Office of the  
Director of Property

May 15, 1997

**Proposed lease for a temporary site at  
2601 Mission Street, Fifth Floor, for the  
Mission Branch Library**

Harvey Rose  
Budget Analyst  
1390 Market Street, Suite 1025  
San Francisco, California 94102

Dear Mr. Rose:

At your request, we hereby submit the following information concerning the proposed term of the lease for the Mission Branch Library at 2601 Mission Street, Fifth Floor.

The Landlord requested a five year term. Although the Library's requirement is for a two year term, historically, some City projects have been delayed due to unforeseen circumstances. As a result, we included the right to terminate with 90 days' written notice at any time after the second year to allow flexibility should the City's renovation project be delayed. If the City had negotiated a flat two year term, we would not be in as favorable a position to negotiate an extension period in the event of construction delays.

The Landlord finds a five year term more advantageous in obtaining lease financing and marketing the property to potential purchasers.

If you have any further questions in this regard, please feel free to contact me at #554-9875 or Claudine Venegas of my staff at #554-9872.

Sincerely,

A handwritten signature in dark ink, appearing to read "Anthony J. DeLucchi".

Anthony J. DeLucchi  
Director of Property

cva:\2601rose.ltr

cc: Marcia Schneider, Library  
Richard Walsh, Library

Item 8 - File 170-97-3

**Department:** Mayor's Office

**Item:** Resolution authorizing and directing the sale of \$48,050,000 of City and County of San Francisco General Obligation Bonds, including (1) \$26,000,000 in Golden Gate Park Improvement Bonds, 1992, Series 1997A; and (2) \$22,050,000 in School District Facilities Improvement Bonds, 1994, Series 1997B.

<b>Amount:</b>	<u>Series</u>	<u>Description</u>	<u>Amount</u>
	1997A	Golden Gate Park Improvements	\$26,000,000
	1997B	School District Facilities Improvements	<u>22,050,000</u>
		Total General Obligation Bonds to be Sold	\$48,050,000

**Description:** The proposed resolution pertains to the sale of General Obligation bonds which have been previously approved by San Francisco voters. The proposed resolution would authorize and direct the sale of the subject General Obligation Bonds in the principal amounts shown in the above table. The proposed resolution also approves the form and terms of documents and official notices related to the sale, and authorizes City officials to take various actions necessary to carry out the sale of the bonds.

In June of 1992, a total of \$76,300,000 in General Obligation Bonds (Golden Gate Park Improvements, 1992) was approved by the electorate to provide funding for Golden Gate Park improvements. The City has previously sold \$34,135,000 of these bonds, leaving an unsold capacity under this bond issue of \$42,165,000. Under the proposed resolution, the amount of \$26,000,000 in these bonds would be authorized to be sold. The proceeds from the sale of the proposed \$26,000,000 in bond funds (Series 1997A) would be used for the design and construction of projects along Martin Luther King Drive and in the west end of Golden Gate Park. According to Ms. Shannon Maloney of the Department of Public Works, approximately 80 percent of the funds would be used for the installation of a major pump station for water delivery and other utilities (sewer, lighting, electrical services) and the balance, 20 percent, would be used for Americans with Disabilities Act (ADA) compliance, reforestation, and restoration projects. Attachment 1, prepared by DPW, lists the estimated cost of each project. (See Comment No. 6).

In June of 1994, a total of \$95,000,000 in General Obligation Bonds (School District Facility Improvements) was approved by the electorate for school district facility improvements in the San Francisco Unified School District. The City has

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

previously sold \$72,950,000 of these bonds, leaving an unsold capacity under this bond issue of \$22,050,000. Under the proposed resolution, the amount of \$22,050,000 of these bonds would be authorized to be sold. The proceeds from the sale of the proposed \$22,050,000 in bond funds (Series 1997B) would be used for school facility improvements at 39 school facilities. Attachment 2, prepared by the School District, lists the school and estimated cost of each project (See Comment No. 7).

The general provisions of the sale of bonds (Series 1997A and Series 1997B) would be as follows:

- The sale of the bonds is tentatively scheduled to be held on June 25, 1997.
- The bonds would be sold at an interest rate which would not exceed 12 percent per year and will mature in the year 2017.
- Property Taxes collected to redeem the bonds will be deposited in the special funds account which would be created specifically for this purpose.
- An official statement describing the bonds to be issued is incorporated in the proposed resolution for approval by the Board of Supervisors. The official statement would be available to all bidders for the bonds.
- Bonds will be awarded to the bidder whose bid represents the lowest interest cost to the City.
- The City Treasurer may appoint fiscal agents or financial institutions to distribute bond interest payments.

**Comments:**

1. As stated above, under the proposed resolution, the annual interest rate of the bonds could not exceed 12 percent. However, Ms. Monique Moyer of the Mayor's Office, reports that if the bonds were sold today, the bonds would probably be sold with an overall effective interest rate of approximately 5.59 percent, and would have an average interest rate of 5.83 percent over the 20-year term of the bonds.

2. The requested maximum bond authorization which is the subject of this report is \$48,050,000. However, Ms. Moyer anticipates that the amount of \$47,155,000 of these subject bonds will actually be issued. Ms. Moyer estimates that with a 20-year term for the bonds and assuming an average interest rate of approximately 5.83 percent, the proposed sale

of bonds in the total amount of \$47,155,000 would result in interest costs of approximately \$32,083,740 and a total debt service requirement of approximately \$79,238,740 over the life of the bonds. Over the 20-year period, this would result in an average debt service requirement of approximately \$3,961,937 per year.

3. Based on an average interest rate of 5.83 percent, the proposed bond sale in the amount of \$47,155,000 would result in an increase in the Property Tax rate of .6991 percent in 1997-98. At that rate, the owner of a single family residence assessed at \$400,000 would pay \$27.47 in additional Property Taxes annually due to the issuance of these bonds.

4. The City has a self-imposed prudent debt limit of 2.8 percent of the City's net assessed property value. Under this debt limit, the City's General Obligation bonding capacity was \$1,587,977,636 as of July 1, 1997. The amount of the City's outstanding General Obligation bonds at the present time is \$802,635,000, and the City's current available General Obligation bonding capacity under the 2.8 percent prudent debt limit is approximately \$785,342,636 (\$1,587,977,636 in bonding capacity less \$802,635,000 in outstanding bonds). The proposed sale of bonds in the amount of \$48,050,000 would reduce the City's bonding capacity under the self-imposed prudent debt limit from \$785,342,636 to approximately \$737,292,636 over the next 20 years. However, the amount of debt that could be issued in any given year is partly a function of the level of payments on existing debt, which fluctuates as older bond issues are retired and new bonds are issued.

5. Ms. Moyer advises that the cost of selling the bonds, including fees for private bond counsel and the services of the Administrative Services Department and the City Attorney's Office, are expected to be approximately \$196,000. A supplemental appropriation for such costs will be submitted for approval to the Board of Supervisors at a later date.

6. Under the proposed resolution, it is requested that the amount of \$26,000,000 in Golden Gate Park Improvement Bonds (Series 1997A) be authorized to be sold. As noted above, Attachment No. 1 lists the projects and cost of each project to be paid for by these funds in the total amount of \$25,000,000, or \$1,000,000 less than \$26,000,000 to be authorized under this request. Ms. Moyer advises that authorization to issue \$26,000,000 of these bonds and not \$25,000,000 is requested in order to provide an additional reserve in the case that fluctuations in interest rates affect the anticipated sale of these bonds which would result in



having to issue the bonds in an amount more than \$25,000,000 in order to obtain the \$25,000,000 necessary for the proposed projects.

7. Attachment 2 provides a list of schools and project costs for the requested authorization of \$22,050,000 in School District Facilities Improvements Bonds (Series 1997B). As shown on Attachment 2, the total estimated costs for the projects listed is \$22,722,861 or \$672,861 more than the requested authorization to issue these bonds in the amount of \$22,050,000. Ms. Moyer advises that, in 1994, a total of \$95,000,000 in School District Facility Improvement bonds were approved by the electorate. According to Ms. Moyer, the City has previously sold \$72,950,000 of these bonds, leaving an unsold capacity under this bond issue of \$22,050,000. Therefore, \$22,050,000 is the maximum bond issue authorization which may be requested. According to Ms. Moyer, it is possible that the \$672,861 in additional funding needed may be obtained through interest earned on the \$22,050,000 in bond monies once the bonds are issued.

8. Approval of the proposed resolution would permit the sale of the proposed bonds. However, all future expenditure appropriations of the bond proceeds for the improvement projects, including the appropriation for the bond issuance costs, would be subject to separate approval by the Mayor and the Board of Supervisors through supplemental appropriation ordinances.

**Recommendation:** Approve the proposed resolution.

## 1992 Golden Gate Park Bond

## 3rd Bond Sale Projection

## DESIGN PROJECTION without EIR 1997 to 1999

Cnct Area	Description	Start	Finish	Design Cost	Comments
37, 38, 44, 45	Bowling Green Drive Utilities	9/23/96	8/15/97	\$ 940,000.00	
19, 11, 6	West End Utilities	2/21/97	12/12/97	\$ 865,000.00	
<del>34</del>	<del>Japanese Tea Garden Phase 1&amp;2</del>	<del>5/19/97</del>	<del>2/20/98</del>	<del>\$ 93,000.00</del>	IN Design
34	Japanese Tea Garden Phase 1&2	5/19/97	2/20/98	\$ 93,000.00	
<del>28, 17, 41</del>	<del>MLK Utilities</del>	<del>9/17/97</del>	<del>6/13/98</del>	<del>\$ 852,000.00</del>	IN Design
28, 17, 41	MLK Utilities	9/17/97	6/13/98	\$ 852,000.00	
	Restrooms Phase Three	10/6/97	10/2/98	\$ 25,000.00	
46	Conservatory Valley	10/13/97	6/19/98	\$ 56,000.00	
24	Speedway Meadows	2/17/98	11/23/98	\$ 296,000.00	
Wells, 8	Equitation Field & Section 6 Yard	3/16/98	10/9/98	\$ 48,000.00	
21	Polo Fields	6/1/98	1/26/99	\$ 126,000.00	
36, 39, 47	GGP East Irrigation [Redwood Gro	10/10/98	3/1/99	\$ 54,000.00	
33	Arboretum	10/28/98	3/30/99	\$ 81,000.00	
				\$ 4,205,000.00	

## CONSTRUCTION PROJECTION with EIR 1997 to 1999

Cnct Area	Description	Start	Finish	Construction Cost	Comments
34	Restrooms Phase Three	2/20/98	6/30/98	\$ 275,000.00	
34	Japanese Tea Garden Phase 1&2	5/21/98	11/18/98	\$ 1,023,000.00	
37, 38, 44, 45	Bowling Green Drive Utilities	12/15/97	12/11/98	\$ 10,340,000.00	
19, 11, 6	West End Utilities	4/3/98	4/1/99	\$ 7,855,000.00	
28, 17, 41	MLK Utilities	9/14/98	9/10/99	\$ 9,372,000.00	
Wells, 8	Equitation Field & Section 6 Yard	2/3/99	10/1/99	\$ 528,000.00	
46	Conservatory Valley	10/5/98	10/1/99	\$ 616,000.00	
24	Speedway Meadows	2/23/99	10/21/99	\$ 3,256,000.00	
21	Polo Fields	4/26/99	12/13/99	\$ 1,386,000.00	
33	Arboretum	6/1/99	12/1/99	\$ 891,000.00	ADVANCED
36, 39, 47	GGP East Irrigation [Redwood Gro	7/1/99	12/25/99	\$ 594,000.00	ADVANCED
				\$ 36,136,000.00	

SUBTOTAL: \$ 40,341,000.00  
 LESS CURRENT ALLOCATION: \$ (11,700,000.00)  
 \$ 28,641,000.00  
 85% of Total: \$ 24,344,850.00  
 SAY: \$ 25,000,000.00

NOTE: Bold indicates major utility loop. Highlighted areas are EIR dependent.

Post-It: Fax Note	7671	Date	5/14	# of pages	1
To	JOEL CARRIO	From	JOEL CARRIO		
Co./Dept		Co.			
Phone #		Phone #	8-1571		
Fax #	213-0461	Fax #			

SAN FRANCISCO UNIFIED SCHOOL DISTRICT  
1994 PROPOSITION A BOND ISSUANCE

12/18/96

<u>School</u>	<u>Projects</u>	<u>Total Project</u>
1) Benjamin Franklin	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Computer lab installation</li> <li>Handicap Access</li> <li>Stage Upgrade</li> </ul>	<ul style="list-style-type: none"> <li>\$ 16,832</li> <li>\$ 89,545</li> <li>\$ 16,832</li> <li>\$ 78,779</li> </ul>
	Total Estimate Cost	\$ 201,989
2) Bret Harte	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Site Improve-Yard</li> </ul>	<ul style="list-style-type: none"> <li>\$ 41,049</li> <li>\$ 41,049</li> <li>\$ 410,498</li> </ul>
	Total Estimate Cost	\$ 492,596
3) Cabrillo	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Heating/Ventilation</li> <li>Painting-Exterior</li> <li>Renovation</li> </ul>	<ul style="list-style-type: none"> <li>\$ 16,992</li> <li>\$ 16,992</li> <li>\$ 39,745</li> <li>\$ 95,442</li> <li>\$ 34,733</li> </ul>
	Total Estimate Cost	\$ 203,903
4) Clarendon	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Electrical-Lighting</li> <li>Handicap Access</li> <li>Site Improvements-General</li> <li>Stage Upgrade</li> <li>Toilets</li> </ul>	<ul style="list-style-type: none"> <li>\$ 36,447</li> <li>\$ 90,909</li> <li>\$ 36,447</li> <li>\$ 181,818</li> <li>\$ 30,755</li> <li>\$ 60,994</li> </ul>
	Total Estimate Cost	\$ 437,370
5) Commodore Sloat	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Heating/Ventilation</li> <li>Kitchen Upgrade</li> </ul>	<ul style="list-style-type: none"> <li>\$ 20,708</li> <li>\$ 20,708</li> <li>\$ 164,294</li> <li>\$ 42,783</li> </ul>
	Total Estimate Cost	\$ 248,493
6) Dr. Charles R. Drew	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Renovation</li> </ul>	<ul style="list-style-type: none"> <li>\$ 17,215</li> <li>\$ 17,215</li> <li>\$ 172,150</li> </ul>
	Total Estimate Cost	\$ 206,580
7) Dr. Martin Luther King	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Toilets</li> </ul>	<ul style="list-style-type: none"> <li>\$ 4,810</li> <li>\$ 4,810</li> <li>\$ 48,100</li> </ul>
	Total Estimate Cost	\$ 57,720

8) Fairmount	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Painting-Exterior</li> <li>Site Improve-Yard</li> <li>Site Improvements-General</li> </ul>	\$ 43,037 \$ 43,037 \$ 226,579 \$ 155,687 \$ 48,099
	Total Estimate Cost	\$ 516,438
9) Fillipino Education Center	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Electrical-Lighting</li> <li>Handicap Access</li> <li>Renovation</li> <li>Toilets</li> </ul>	\$ 14,803 \$ 6,004 \$ 14,803 \$ 42,782 \$ 99,239
	Total Estimate Cost	\$ 177,630
10) Garfield	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Computer lab installation</li> <li>Electrical-Lighting</li> <li>Handicap Access</li> <li>Kitchen Upgrade</li> <li>Site Improve-Yard</li> </ul>	\$ 10,721 \$ 35,441 \$ 24,050 \$ 10,721 \$ 15,822 \$ 31,899
	Total Estimate Cost	\$ 128,654
11) George Washington Carver	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Door replacement-exterior</li> <li>Handicap Access</li> <li>Site Improve-Fencing</li> <li>Window Sash Replacement</li> </ul>	\$ 8,583 \$ 30,378 \$ 8,583 \$ 13,636 \$ 41,819
	Total Estimate Cost	\$ 103,000
12) Grattan	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Painting-Exterior</li> <li>Site Improve-Yard</li> </ul>	\$ 8,401 \$ 8,401 \$ 30,854 \$ 53,162
	Total Estimate Cost	\$ 100,818
13) Harvey Milk	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Site Improve-Yard</li> <li>Site Improvements-General</li> </ul>	\$ 2,228 \$ 2,228 \$ 13,923 \$ 8,354
	Total Estimate Cost	\$ 26,733
14) Ida B. Wells	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Kitchen Upgrade</li> </ul>	\$ 7,310 \$ 7,310 \$ 73,100
	Total Estimate Cost	\$ 87,720

15) Jefferson	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Door replacement-exterior</li> <li>Handicap Access</li> <li>Library Expansion</li> <li>Painting-Exterior</li> <li>Roof Replacement</li> <li>Site Improve-Yard</li> <li>Toilet Rehab/Plumb Upgrde</li> <li>Toilets</li> </ul>	<ul style="list-style-type: none"> <li>\$ 69,085</li> <li>\$ 30,378</li> <li>\$ 69,085</li> <li>\$ 69,616</li> <li>\$ 91,138</li> <li>\$ 346,557</li> <li>\$ 105,057</li> <li>\$ 12,658</li> <li>\$ 35,443</li> </ul>
	Total Estimate Cost	\$ 829,017
16) Jefferson Annex	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Toilet Rehab/Plumb Upgrde</li> </ul>	<ul style="list-style-type: none"> <li>\$ 2,025</li> <li>\$ 2,025</li> <li>\$ 20,253</li> </ul>
	Total Estimate Cost	\$ 24,303
17) John Yeehall Chin ES	<ul style="list-style-type: none"> <li>Site Improve-Yard</li> </ul>	<ul style="list-style-type: none"> <li>\$ 39,679</li> </ul>
	Total Estimate Cost	\$ 39,679
18) Jose Ortega	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Computer lab installation</li> <li>Electrical-Lighting</li> <li>Handicap Access</li> <li>Site Improve-Fencing</li> <li>Window Sash Replacement</li> </ul>	<ul style="list-style-type: none"> <li>\$ 33,720</li> <li>\$ 47,149</li> <li>\$ 127,530</li> <li>\$ 33,720</li> <li>\$ 56,199</li> <li>\$ 106,323</li> </ul>
	Total Estimate Cost	\$ 404,642
19) Junipero Serra	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Door replacement-exterior</li> <li>Handicap Access</li> <li>Kitchen Upgrade</li> <li>Painting-Exterior</li> <li>Renovation</li> <li>Site Improve-Fencing</li> <li>Site Improve-Yard</li> </ul>	<ul style="list-style-type: none"> <li>\$ 43,825</li> <li>\$ 32,577</li> <li>\$ 43,825</li> <li>\$ 35,648</li> <li>\$ 81,023</li> <li>\$ 161,528</li> <li>\$ 50,412</li> <li>\$ 77,058</li> </ul>
	Total Estimate Cost	\$ 525,895
20) Longfellow	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Computer lab installation</li> <li>Handicap Access</li> </ul>	<ul style="list-style-type: none"> <li>\$ 3,544</li> <li>\$ 35,441</li> <li>\$ 3,545</li> </ul>
	Total Estimate Cost	\$ 42,530
21) Lowell	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Site Improve-Fencing</li> <li>Site Improve-Sidewalk</li> <li>Site Improvements-General</li> </ul>	<ul style="list-style-type: none"> <li>\$ 26,146</li> <li>\$ 26,146</li> <li>\$ 146,194</li> <li>\$ 71,388</li> <li>\$ 43,877</li> </ul>
	Total Estimate Cost	\$ 313,752



22) Luther Burbank	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 105,016</li> <li>Door replacement-interior \$ 60,643</li> <li>Handicap Access \$ 105,016</li> <li>Toilet Rehab/Plumb Upgrde \$ 22,948</li> <li>Toilets \$ 311,072</li> <li>Window Sash Replacement \$ 655,501</li> </ul>
	Total Estimate Cost \$ 1,260,197
23) Mark Twain	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 83,333</li> <li>Handicap Access \$ 83,333</li> <li>Painting-Exterior \$ 183,079</li> <li>Site Improve-Yard \$ 650,254</li> </ul>
	Total Estimate Cost \$ 1,000,000
24) Marshall	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 13,033</li> <li>Flooring \$ 51,421</li> <li>Handicap Access \$ 13,033</li> <li>Painting-Exterior \$ 73,844</li> <li>Toilet Rehab/Plumb Upgrde \$ 5,063</li> </ul>
	Total Estimate Cost \$ 156,394
25) McKinley	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 5,190</li> <li>Door replacement-exterior \$ 17,721</li> <li>Handicap Access \$ 5,190</li> <li>Roof Replacement \$ 31,644</li> <li>Toilet Rehab/Plumb Upgrde \$ 2,532</li> </ul>
	Total Estimate Cost \$ 62,275
26) Mission Annex	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 7,045</li> <li>Electrical-Lighting \$ 13,671</li> <li>Handicap Access \$ 7,045</li> <li>Painting-Exterior \$ 9,570</li> <li>Toilet Rehab/Plumb Upgrde \$ 20,126</li> <li>Window Sash Replacement \$ 27,087</li> </ul>
	Total Estimate Cost \$ 84,544
27) Monroe	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead \$ 68,049</li> <li>Electrical-Lighting \$ 25,207</li> <li>Flooring \$ 191,145</li> <li>Handicap Access \$ 68,049</li> <li>Painting-Exterior \$ 103,229</li> <li>Renovation \$ 173,369</li> <li>Toilet Rehab/Plumb Upgrde \$ 38,411</li> <li>Window Sash Replacement \$ 149,135</li> </ul>
	Total Estimate Cost \$ 816,594

28) Paul Revere & Annex	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Electrical-Lighting</li> <li>Handicap Access</li> <li>Site Improvements-General</li> <li>Window Sash Replacement</li> </ul>	\$ 4,364 \$ 25,455 \$ 4,364 \$ 1,266 \$ 16,920
	Total Estimate Cost	\$ 52,369
29) Potrero Hill	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Heating/Ventilation</li> <li>Site Improvements-General</li> <li>Toilet Rehab/Plumb Upgrde</li> </ul>	\$ 28,872 \$ 28,872 \$ 278,465 \$ 2,532 \$ 7,721
	Total Estimate Cost	\$ 346,462
30) Raoul Wallenberg	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Window Sash Replacement</li> </ul>	\$ 3,088 \$ 3,088 \$ 30,885
	Total Estimate Cost	\$ 37,062
31) School of the Arts HS	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Reconstruction</li> </ul>	\$ 742,500 \$ 742,500 \$ 5,940,000
	Total Estimate Cost	\$ 7,425,000
32) Sherman	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Door replacement-exterior</li> <li>Handicap Access</li> <li>Toilets</li> </ul>	\$ 17,106 \$ 37,592 \$ 17,107 \$ 133,469
	Total Estimate Cost	\$ 205,273
33) Spring Valley	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Door replacement-exterior</li> <li>Handicap Access</li> <li>Painting-Interior</li> <li>Site Improve-Yard</li> <li>Stage Upgrade</li> </ul>	\$ 31,318 \$ 30,378 \$ 31,318 \$ 110,532 \$ 111,386 \$ 60,884
	Total Estimate Cost	\$ 375,815
34) Tenderloin (new school) Admin./A&E Only	<ul style="list-style-type: none"> <li>New School Building</li> </ul>	\$ 5,334,151
	Total Estimate Cost	\$ 5,334,151
35) Theresa S. Mahler	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> <li>Handicap Access</li> <li>Site Improve-Yard</li> </ul>	\$ 3,924 \$ 3,924 \$ 39,241
	Total Estimate Cost	\$ 47,089
36) Treasure Island	<ul style="list-style-type: none"> <li>Abatement-asbestos/lead</li> </ul>	\$ 23,106

	• Handicap Access	\$ 23,106
	• Heating/Ventilation	\$ 94,362
	• Roof Replacement	\$ 136,701
	Total Estimate Cost	\$ 277,275
37) Yerba Buena	• Abatement-asbestos/lead	\$ 1,509
	• Handicap Access	\$ 1,509
	• Toilet Rehab/Plumb Upgrde	\$ 15,094
	Total Estimate Cost	\$ 18,112
38) Yick Wo	• Abatement-asbestos/lead	\$ 3,954
	• Handicap Access	\$ 3,954
	• Site Improve-Fencing	\$ 23,971
	• Site Improvements-General	\$ 15,569
	Total Estimate Cost	\$ 47,447
39) Yoey at Bessie Smith	• Abatement-asbestos/lead	\$ 612
	• Handicap Access	\$ 612
	• Site Improve-Fencing	\$ 6,116
	Total Estimate Cost	\$ 7,339
	GRAND TOTAL ESTIMATED COST:	\$ 22,722,861



Item 9 - File 65-97-7

**Note:** This item was continued by the Finance Committee at its meeting of May 14, 1997.

**Department:** Department of Real Estate (DRE)  
Department of Public Works (DPW)

**Item:** Resolution authorizing five leases to non-profit agencies at four City-owned facilities under the purview of the Southeast Community Facility Commission, without competitive bidding.

**Location:** All four properties covered by the five proposed leases are located in the Bayview Hunters Point area of the City. The Attachment I provides a list of property addresses, names of lessees, and related information.

**Purpose of Lease:** Four of the proposed leases are for childcare facilities and one is for a community theater group. See the Attachment for details.

**Lessor:** City and County of San Francisco

**Lessees:** See Attachment

**Term of Lease:** Pending approval of the Board of Supervisors, leases will be effective from the date of execution for three years, with one three-year option to renew.

**Utilities and Maintenance:** Lessee is responsible for utilities, interior janitorial, security and maintenance, pest control and other normal tenant responsibilities. The City is responsible for maintenance of the roof, sidewalls, common areas and other normal landlord responsibilities. (See Comment No. 8)

**Description:** Each of the facilities listed on the Attachment operates under the auspices of the Southeast Community Facility Commission (SECFC), which has approved the proposed leases. The SECFC was established in 1987 by the Board of Supervisors to support community and economic development activities that are beneficial to Bayview Hunters Point residents, while overseeing the multi-purpose community centers in the area. Commission members are appointed by the Mayor.

The following table provides additional information about each of the proposed leases:



**Memo to Finance Committee**  
**May 21, 1997 Finance Committee Meeting**

<u>Lessee</u>	# of <u>Sq. Ft.</u>	Approximate Proposed Rate Per Sq. Ft.	Proposed Monthly Rent	Proposed Annual Rent	Current Annual Rent
		<u>Per Month</u>			<u>Rent</u>
1. California Association of Health, Education Employment and Dignity, Inc.	4,900	\$0.04	\$200	\$2,400	\$1
2. Economic Opportunity Council (Sojourner Truth Nursery School)	8,662	\$0.02	\$200	\$2,400	\$1
3. Economic Opportunity Council (M.L. King Nursery School)	7,850	\$0.03	\$200	\$2,400	\$1
4. Whitney Young Child Development Center	7,806	\$0.03	\$200	\$2,400	\$1,200
5. Bayview Repertory Theatre Company	625	\$0.16	\$100	\$1,200	\$1,200

The proposed leases contain the following provisions:

- Rent shall increase annually based on a cost of living adjustment as measured by the Consumer Price Index.
- Authorization for the Director of Property to provide a rent credit for preapproved improvements made by a tenant which are the City's responsibility. Mr. Charlie Dunn of DRE advises that, historically, maintenance and repair funding for these facilities has been extremely limited. The proposed leases would allow the Director of Property to provide a rent credit for property improvements made by a tenant which would otherwise be the City's responsibility under the lease if: a) the improvements/credit amount is preapproved by the Director of Property; and b) the improvements can be done more quickly or inexpensively by the tenant.
- A minimum of 50 percent of persons served by the lessee at the facility must be from the Bayview Hunters Point area (ZIP Codes 94124 and 94134).
- A minimum of 50 percent of persons employed by the lessee at the facility must be from the Bayview Hunters Point area (ZIP Codes 94124 and 94134).

**Comments:**

1. The four properties were under the jurisdiction of the Mayor's Office until 1990 when the Board of Supervisors approved the transfer of the jurisdiction to the Department of Public Works (File 199-90-3).
2. According to Mr. Dunn, the proposed lessees are non-profit organizations currently operating in the respective facilities. Mr. Dunn advises that all of the lessees have been long term tenants, occupying the space under Memoranda of Understanding (MOUs) and paying from \$1 to \$1,200 per year in rent (see the Attachment for length of tenancy).

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3. Mr. Dunn advises that the DRE, DPW, and the Southeast Community Facility Commission now wish to set up standard lease agreements for the facilities. The proposed rents would increase from the existing range of \$1 to \$1,200 per year to \$1,200 to \$2,400 per year.

4. According to Mr. Dunn the fair market rental value of these leases are approximately \$1 per square foot per month, or approximately \$7,500 to \$103,944 per year.

5. Although the proposed rents are significantly below fair market value, the DRE proposes to provide these leases without competitive bidding, because, according to Mr. Dunn, the respective leases provide benefit to the public by providing services to area residents.

6. Mr. Dunn advises that, historically, City funds for maintenance and repair of the subject facilities has been extremely limited. According to Mr. Dunn, it is hoped that the agencies occupying the subject facilities will take advantage of the rent credit for preapproved improvements in the proposed leases by securing Federal, State, and/or private funds. By paying for preapproved improvements or repairs, an agency will receive credit in the amount spent on the improvements or repairs which will be applied toward the agency's annual rent.

7. Mr. Dunn advises that the uses of the facilities under the proposed leases (childcare and performing arts) are in keeping with the original design and purpose of each of the facilities.

8. This resolution was continued for purposes of providing the Finance Committee with the additional costs as a result of the lessees having to pay for a portion of the utilities, pest control, janitorial, security, and garbage removal costs in addition to the increased rental costs.

Mr. Dunn advises that three of the lessees: (1) California Association of Health, Education, Employment and Dignity, Inc.; (2) Economic Opportunity Council's Sojourner Truth Nursery School; and (3) the Economic Opportunity Council's M.L. King Nursery School, are currently responsible for utilities, pest control, janitorial, security, and garbage removal costs at their respective facilities. However, according to Mr. Dunn, two of the lessees: (1) the Whitney Young Child Development Center, Inc. and (2) the Bayview Repertory Theatre Company, which are both located in the City-owned Earl P. Mills Center at 100 Whitney Young Circle, are not currently required to pay for utilities, pest

control, janitorial, security, and garbage removal costs. In 1997-98 such costs are projected to total \$34,161. Under the proposed leases, each of these two lessees would be responsible for a pro rata share of such costs, with the Whitney Young Child Development Center, Inc. paying 40 percent and the Bayview Repertory Theatre Company paying 6 percent. According to Mr. Dunn, these pro rata shares are based on the approximate square footage occupied by each of the lessees and a judgment made of expenses incurred from the annual usage of a shared community room at the Earl P. Mills Center.

The following table provides the increased monthly and annual costs under the proposed leases for each tenant for rent and other costs beginning in FY 1997-98:

<u>Lessee</u>	<u>Annual Rent Increase (monthly)</u>	<u>Projected Cost Increase in Utilities, Pest Control Janitorial, Security, and Garbage Removal for FY 1997-98 (monthly)</u>	<u>Total Annual Cost Increase in FY 1997-98 (monthly)</u>
1. California Association of Health, Education Employment and Dignity, Inc.	\$2,399 (\$200/mo)	-0-	\$2,399 (\$200/mo)
2. Economic Opportunity Council (Sojourner Truth Nursery School)	\$2,399 (\$200/mo)	-0-	\$2,399 (\$200/mo)
3. Economic Opportunity Council (M.L. King Nursery School)	\$2,399 (\$200/mo)	-0-	\$2,399 (\$200/mo)
4. Whitney Young Child Development Center	\$1,200	\$13,664 (\$1,139/mo)	\$14,864 (\$1,239/mo)
5. Bayview Repertory Theatre Company	-0-	\$2,050 (\$171/mo)	\$2,050 (\$171/mo)

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.

# ATTACHMENT

## CHILDCARE LEASES UNDER JURISDICTION OF SOUTHEAST COMMUNITY FACILITY COMMISSION

No.	Address	Use	Tenant	Approx Sq <sup>ft</sup>	Current Rent	Proposed Rent	Tenant Since
1	1030 Oakdale Capt. Wm. T. Shorey Block 4714, Lot 7	Childcare	Calif. Assn. of Health, Education, Employment and Dignity, Inc. (C.A.H.E.E.D.)	4900	\$1/Year	\$2,400/Year	1978
2	1 Cashmere St. Soujourner Truth Nursery School Block 4720, Lot 6	Childcare	Economic Opportunity Council (E.O.C.)	8662	\$1/Year	\$2,400/Year	1972
3	200 Cashmere St. M.L. King Nursery School Block 4710, Lot 7	Childcare	Economic Opportunity Council (E.O.C.)	7850	\$1/Year	\$2,400/Year	1973
4	100 Whitney Young Circle Earl P. Mills Center Block 4711, Lot 6	24 Hr. Childcare	Whitney Young Child Development Center, Inc.	7806	\$1,200/Year	\$2,400/Year	1974
5	100 Whitney Young Circle Earl P. Mills Center Block 4711, Lot 6	Performance	Bayview Repertoire Theatre	625	\$1,200/Year	\$1,200/Year	1974





Item 10 - File 100-96-1.10

**Department:** District Attorney

**Item:** Hearing to consider release of reserved funds for computer equipment for the District Attorney's Office.

**Amount:** \$1,323

**Source of Funds:** Monies reserved in the District Attorney's FY 1996-97 Budget

**Description:** In the District Attorney's FY 1996-97 budget, the Board of Supervisors approved but reserved \$141,500 for computers and related equipment. On April 23, 1997, the Finance Committee approved the release of \$140,177 for computer equipment and continued to reserve \$1,323. The District Attorney's Office is now requesting the release of the \$1,323 for purchasing virus protection software.

According to data provided by Mr. Reginald Smith of the District Attorney's Office, the budget for the reserved funds is as follows:

23 Desktop Anti-Virus Security Products	\$828
3 Computer Tool Kits	225
10 Surge Protectors	180
Subtotal	\$1,233
2% Prompt Payment Discount	(25)
Sales Tax	103
<b>TOTAL</b>	<b>\$1,311</b>

**Comments:** 1. The Attachment, provided by the District Attorney's Office contains the actual quotation for the proposed computer equipment in the amount of \$1,337.81.

2. However, as indicated on the attached quotation forms, the District Attorney's Office would be eligible for a two percent prompt payment discount on the total cost of the equipment if the order is paid within 31 days. Mr. Wade Barret, Account Manager at CIBER Network Services, Inc., the vendor approved by the Purchaser's Office for this purchase, has previously reported that the District Attorney's Office would have 31 days from the receipt of the computer equipment to pay the invoice and receive the two percent prompt payment discount. Therefore, the budget shown above includes the two percent prompt payment discount in the amount of \$25, which results in a revised Sales Tax amount of \$103.

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The Controller's Office has previously reported that the Controller's Office should be able to pay the vendor within the time period necessary in order to take advantage of the prompt payment discount offer.

3. Since the proposed request of \$1,323 is only \$12 more than the estimated cost, we recommend approval.

**Recommendation:** Approve the proposed requested release of reserved funds.

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ETA: \_\_\_\_\_



Item 11 - File 97-97-17

**Note:** This item was continued by the Finance Committee at its meeting of May 14, 1997.

**Department:** Office of the Mayor

**Item:** Ordinance amending Chapter 3 of Part I of the San Francisco Municipal Code (Administrative Code) to establish a budget process pursuant to Section 9.100 of the new Charter by repealing Sections 3.05 through 3.20 and adding Sections 3.1 through 3.25 and reserving Sections 3.26 through 3.49 for future use.

**Description:** The Office of the Mayor has submitted this proposed ordinance addressing Section 9.100 of the City's Charter which states that the Mayor shall submit and the Board of Supervisors shall act on ordinances with respect to the (1) schedule and procedures for the orderly preparation and submission of the annual proposed budget and interim and final appropriation ordinances; (2) description of the annual proposed budget and appropriation ordinance consistent with required financial records to allow comparison of revenue trends and performance and expenditures between fiscal years; (3) procedures to include public participation in budget process; and the (4) form, content and dates of submission for the Capital Improvements and Facilities Maintenance Budgets (CIAC). The proposed ordinance, entitled the Budget Process Ordinance, addresses all of these requirements with the following sections:

Section 3.3: Budget Timetable

Section 3.4: Introduction and Publication of Budget

Section 3.5: Long-Term Departmental and Agency Budget Planning - Setting Goals and Strategies, Developing Strategic Plans

Section 3.6: Three Year Budget Projection

Section 3.7: Budget to be Accompanied by Legislation Containing all Proposed Fee and Revenue Increases Anticipated in the Proposed Budget; Complete Schedule of Existing Fees

Section 3.8: Public Hearings

Section 3.9: Transmission of Proposed Budget, etc. to Committee; Committee's Transmission of Budget to full Board with Report

Section 3.10: Preparation and Submission of Administrative Provisions of Annual Salary Ordinance and Enactment of Interim Ordinance

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Section 3.11: Annual Appropriation Ordinance, Preparation and Format  
Section 3.12: Information Concerning Budget Requirements and Related Matters  
Section 3.13: Controller to Assist Board in Preparation of Budget  
Section 3.14: Departments to Operate within Amounts Budgeted  
Section 3.15: Supplemental Appropriation Ordinances Budget, Modifications  
Section 3.16: Interim Positions, Salary Adjustments  
Section 3.17: Savings Incentive Account  
Section 3.18: Transfers  
Section 3.19: Appropriation for Art Enrichment of Proposed Public Buildings, Aboveground Structures, Parks and Transportation Improvement Projects  
Section 3.20: Capital Improvement Advisory Committee  
Section 3.21: Submittal of Capital Improvement Projects  
Section 3.22: Submittal of Long-term Financing Proposals  
Section 3.23: Waiver  
Section 3.24: Committee on Information Technology  
Section 3.25: Three Year Plans, Technical Aspects

According to Mr. John Madden of the Controller's Office, the proposed ordinance updates and puts the budget process into a more concise format within the City's Administrative Code. In addition, Mr. Madden reports that most of the changes in the proposed ordinance are consistent with the City's existing budget instructions and have been in practice for the last several years.

A comparison of each of the proposed new Sections with the City's existing Administrative Code identifies some specific changes, as follows:

According to Section 3.3(a) not later than February 21 of each year, each elected and appointing officer, agency, board or commission shall file with the Controller, for check as to form and completeness, copies of its budget estimate. The current Administrative Code requires the same budget submittals to the Controller by March 1 of each year.

Section 3.3(b) of the proposed ordinance also states that the Controller shall, not later than March first of each year consolidate such budget estimates and transmit this consolidated budget to the Mayor. The current Administrative Code states that the Controller shall transmit the consolidated budget to the Mayor by April 15 of each year.

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Section 3.3(d) of the proposed ordinance states that the Controller shall review the estimated revenues and assumptions contained in the Mayor's budget and provide an opinion regarding the accuracy and reasonableness of the economic assumptions and revenue estimates on or before the fifth working day following the Mayor's submission of the budget to the Board of Supervisors. In addition, the Controller may also recommend to the Board of Supervisors reserves that the Controller considers prudent, given the proposed resources and expenditures in the Mayor's budget. The current Charter, under Section 9.102, requires the Controller to similarly review and determine the reasonableness of the revenues and assumptions in the Mayor's budget. However, the proposed ordinance would require that this review be completed by a specific date and would add the provision that the Controller may recommend reserves to the Board of Supervisors.

In addition, there are several significant changes that are included in the proposed ordinance. These are as follows:

According to Section 3.14 of the proposed ordinance, within 30 days of the adoption of the annual budget by the Board of Supervisors, the head of each City and County agency shall submit a letter to the Mayor, Board of Supervisors and Controller agreeing that the funding provided in the recently adopted budget is adequate. If a department does not believe their budget is adequate, this inadequacy must be specifically noted in the letter and acknowledged in writing by the Board of Supervisors. This is a new provision which provides a positive certification by each City and County department, at the beginning of each fiscal year that they will be able to live within their recently approved budget, unless they indicate otherwise in writing.

According to Section 3.17 of the proposed ordinance, a Savings Incentive Account of \$2,000,000 or ten percent of the appropriations closed to the General Fund from the prior fiscal year would be set aside to make additional revenue available for items and services that will improve the efficient operations of City and County departments. Although this Savings Incentive Account provision is currently included in Section 3.20 of the City's Administrative Code, the current provision states that appropriations from this Savings Incentive Account may only be made to departments that have demonstrated that they were able to reduce the cost of service delivery and other departmental activities during the immediately preceding

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fiscal year. The proposed provision would permit appropriations, subject to approval of the Board of Supervisors, to be made from this Savings Incentive Account for departments to reduce the cost of service delivery and make departmental activities more efficient, without requiring demonstrated ability to have reduced costs in the prior year. According to Mr. Madden, this new provision will enable those City departments to receive one-time project funds from the Savings Incentive Account if they can identify how such funds would enable the department to streamline their operations or become more efficient.

Section 3.18 of the proposed ordinance would allow the Controller, upon request of the Mayor, other officials, boards or commissions to transfer any unused balance from previously appropriated funds to augment existing appropriations as long as the transfer is within the same fund and department. However, no such transfer of funds may be made to an appropriation which was previously reduced by action of either the Mayor or Board of Supervisors in their review of the budget for the current or prior fiscal year. Mr. Madden reports that this provision was previously included in the City's old Charter (Section 6.305), but was omitted in the preparation of the new Charter. This provision would make this authority part of the City's Administrative Code. However, Mr. Madden cautions that, under this provision, the Controller would not be permitted to transfer funds in order to create new permanent positions, or to authorize capital improvements or major equipment purchases, not previously authorized by the Board of Supervisors. In addition, Mr. Madden reports that the Controller's Office has historically not authorized transfers of funds within departments that exceeded approximately 10 percent of the previously authorized appropriation without the knowledge of the Mayor and the Board of Supervisors and that this practice is likely to continue.

The proposed ordinance would also replace Sections 3.05 through 3.012 of the existing Administrative Code, which relate to the formation, membership and functions of the Capital Improvements Advisory Committee (CIAC), with Sections 3.20, 3.21, 3.22 and 3.23. According to Mr. Madden, the proposed ordinance would provide the CIAC with more flexibility regarding the preparation of capital expenditure plans and would remove redundant provisions from the existing Administrative Code. In addition, the more significant changes are as follows:

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- The CIAC is currently comprised of the following 10 members: the Mayor's Designee (Chairperson), the Controller, the Director of Public Works, the Director of Planning, the General Manager of Utilities, the General Manager of the Recreation and Park Department, the Director of Airports, the Director of Property, the Director of Health and the Port Director. The proposed ordinance would designate seven members to the CIAC, as follows: the Mayor's Finance Director (Chairperson), the President of the Board of Supervisors, the Controller, the Director of Public Works, the Director of Planning and two department heads to be selected by the Chairperson for two-year terms.
- The proposed ordinance would require that the CIAC review all capital improvement projects with an estimated cost in excess of \$25,000. Under the proposed ordinance, no funds could be appropriated for capital projects until the CIAC completed its review and submitted its recommendations to the Mayor's Office.
- The Administrative Code currently requires that all long-term financing proposals (i.e. bonded indebtedness constituting an obligation of beyond one fiscal year) be reviewed and recommended upon by the CIAC, and the CIAC's failure to report within the designated timeframe constitutes an approval of the proposal. Under the proposed ordinance, the CIAC would continue to review all long-term financing proposals, but the Board of Supervisors could not place on the ballot or authorize the issuance of any long-term financing until the CIAC completed its review and made a recommendation regarding the proposal.
- The proposed ordinance would authorize the Mayor or the Board of Supervisors to waive any of the time requirements specified in the rules adopted by the CIAC.

The proposed ordinance would also replace Sections 3.015 through 3.021 of the existing Administrative Code, which relate to the formation, membership and functions of the Electronic Information Processing Steering Committee (EIPSC), with Sections 3.24 and 3.25. According to Mr. Madden, the proposed ordinance would replace EIPSC with (a) the Committee on Information Technology (COIT), which would be responsible for the establishment of citywide policies and standards relating to information technology and for encouraging interdepartmental cooperation, and (b) a COIT technical subcommittee, which would be responsible for

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reviewing and making recommendations on specific project proposals and their technical aspects. The major provisions are as follows:

- EIPSC is currently comprised of the following seven members: the Director of Administrative Services, the Controller, the Budget Analyst, the Executive Deputy Mayor for Fiscal and Program Administration and three heads of City departments. The proposed ordinance would designate 10 members to COIT, as follows: the Mayor's Finance Director, a member of the Board of Supervisors, the Controller, the Director of Telecommunications and Information Services and one department head from each of the following six groupings of departments, to be selected annually by the four continuing members: (a) Public Protection; (b) Public Works, Transportation and Commerce; (c) Human Welfare and Neighborhood Development; (d) Community Health; (e) Culture and Recreation; and (f) General Administration and Finance.
- According to the proposed ordinance, COIT would be responsible for (a) taking a leadership role in encouraging and coordinating departmental efforts in the use of technology; (b) promoting interdepartmental cooperation and City standards; (c) reviewing major interdepartmental and Citywide projects and making policy recommendations thereon; and (d) establishing rules governing its operations and procedures to be followed by City departments.
- Under the proposed ordinance, COIT members would delegate technical staff to a technical subcommittee, which would be responsible for (a) reviewing three year plans, minor departmental projects and other technical aspects of information technology; and (b) preparing reports and recommendations for technology improvements and systems, including funding and budget requirements.
- Under the proposed ordinance, the Department of Telecommunications and Information Services (DTIS) would be required to provide staff support to COIT and its working subcommittee, as is currently the practice with EIPSC, according to Mr. Madden.

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**Comment:**

1. An Amendment of the Whole was submitted at the Finance Committee Meeting of May 14, 1997. The Finance Committee also adopted the following amendments contained in the Budget Analyst report of May 14, 1997:

1) Amends the title of Section 3.10 to replace "Enactment of Interim Ordinance" with "Enactment of Annual Salary Ordinance".

2) Amends Section 3.1 to state the Charter of "1996".

3) Amends Section 3.12 of the proposed ordinance to delete the requirement that the Board of Supervisors can only make inquiries to City departments "through the Mayor", in order to enable the Board of Supervisors to make inquiries directly with City departments, as is the current practice.

4) Amends Section 3.18 of the proposed ordinance to require that the Controller inform the Mayor and the Board of Supervisors of any transfer of funds within a department's budget to augment an existing appropriation if the amount of such transfer is in excess of ten percent of the original appropriation.

**Recommendation:** Approve the proposed ordinance.



Item 12 - File 191-97-3

**Note:** This item was continued by the Finance Committee at its meeting of May 14, 1997.

**Item:** Hearing to consider the "Final Report: Feasibility Study of Electric-System Municipalization for San Francisco Public Utilities Commission."

**Description:** During Fiscal Year 1995-96, the Board of Supervisors approved the expenditure of \$150,000 to conduct a preliminary feasibility study of municipalizing the electric utilities distribution system, now operated by Pacific Gas and Electric Company (PG&E). Economic and Technical Analysis Group (ETAG), an independent consulting firm, conducted the preliminary feasibility study and submitted its final report to the Public Utilities Commission, Hetch Hetchy, and the Board of Supervisors.

The ETAG report concludes that "savings to San Franciscans are more likely than not [with municipalization], and we find that they would be between 5% and 10%, as compared to PG&E service." The ETAG report recommends that a more extensive study of the feasibility of municipalization be conducted "if -- and only if -- the City and County of San Francisco is inclined as a policy decision to pursue municipalization."

The major findings and recommendations of the report are as follows:

1. Municipalization of PG&E services will most likely save San Franciscans between 5% and 10%.
2. A close second most likely savings would lie in the 0% to 5% range.
3. It is unlikely that municipalization would yield a savings above 10% or that higher costs would result from municipalization.
4. Given the studies findings, a comprehensive feasibility study should be pursued if, and only if, the Board of Supervisors make a policy decision to "pursue municipalization on the basis of its prospective costs, risks and benefits, and if it can spare the dollars from pressing needs."

**Comments:** 1. According to Ms. Deborah Penn Assistant Executive Director for Information Services of the American Public Power Association (APPA), several localities throughout the United States, including localities in California, have formed municipal electric utility systems. According to a survey of municipal electric utilities contained in the ETAG report,

some of the California localities that have municipal public power include Los Angeles, Sacramento, Santa Clara, Pasadena, Alameda and Palo Alto.

2. According to Ms. Penn, research by the American Public Power Association indicates that various jurisdictions have determined that forming municipal electric power systems could provide lower rates to customers while increasing revenues for the jurisdiction. Conducting a comprehensive feasibility study on the effect of municipalizing electric utilities would address the degree to which the City might be able to lower rates for its customers and realize revenues. A comprehensive study would also address the initial costs of acquiring the system from PG&E, and the ongoing operating costs to the City. The method of financing the acquisition costs of the system from PG&E would also be included as part of a comprehensive study.

3. According to Mr. Lawrence T. Klein, General Manager of Hetch Hetchy, San Francisco would have to conduct a full and comprehensive feasibility study in order to develop an inventory and cost estimates associated with acquiring the electric utilities distribution system from PG&E, and developing a process to staff and manage the system once it has been acquired. The engineering firm of R.W. Beck estimates that the engineering costs of a comprehensive feasibility study would range from \$700,000 to \$1,500,000. This range is contingent upon the amount of cooperation provided by PG&E in appraising the system and completing a comprehensive inventory of all facilities. Mr. Klein concurs with the estimated costs of R.W. Beck to conduct the study. However, Mr. Klein also advises that an additional 10% to 20% may be required to cover the costs of City staff time and some initial attorney fees, therefore increasing the range of estimated costs from \$770,000 to \$1,800,000 to conduct a comprehensive feasibility study for purposes of municipalization of PG&E.

4. Representatives of R.W. Beck estimate that the engineering portion of a comprehensive study to assess the feasibility of municipalizing the electric utilities distribution systems would take approximately 12 to 18 months to complete. Mr. Klein concurs with this estimate and advises that the process for selecting a qualified consulting firm to conduct the study will take approximately six months to complete. In addition to the engineering portion of the study, additional time will be required to address legal and other non-engineering matters related to the feasibility of municipalization of PG&E services.

5. The funding source to conduct a comprehensive feasibility study, which as previously indicated would range in estimated costs of \$770,000 to \$1,800,000, has not been identified.





Item 13 - File 65-97-9

**Department:** Recreation and Park Department (RPD)

**Item:** Resolution approving a third amendment to the agreement to furnish scoreboard and other related services at 3Com Park at Candlestick Point (3Com), which provides for the installation of exterior marquees and parking lot displays as well as clarification of certain financial terms in the original agreement.

**Description:** The proposed resolution would approve a third amendment to the agreement between the City and County of San Francisco, through the RPD, and the Sony Corporation of America (Sony). In 1987, the City entered into a ten year and ten months agreement (March 1, 1987 to December 31, 1997) with Sony for a new scoreboard and related equipment for 3Com Park (then known as Candlestick Park). Sony financed the original equipment at a total cost of \$5 million, which was fully amortized by Sony through advertising revenues received by Sony during the ten-year, ten-month term of the agreement. The agreement was first amended, and approved by the Board of Supervisors, in approximately 1990, to increase the available advertising space in the stadium. Under the second amendment to the agreement, approved by the Board of Supervisors in March, 1994, Sony replaced the existing scoreboard with a new video replay screen and installed video control room upgrades (File 65-94-5). The second amendment to the agreement also involved installation by Sony of advertising on the exterior premises of 3Com Park. The second amendment extended the term of the agreement by three years and three months, to March 31, 2001. It also provided for amortization by Sony of the approximately \$5.5 million cost of the new equipment by March 31, 2000, under a formula for distribution of the advertising revenue between the City and Sony. The City receives 65 percent of net advertising revenues, as well as base payments of approximately \$319,000 to \$368,000 annually.

Mr. Ernie Prindle of the RPD states that the terms of the second amendment, which pertains to the replacement scoreboard, have been followed by both parties to the agreement (the City and Sony) since its official start date of April 1, 1994. However, despite the fact that the Board of Supervisors approved the second amendment in March of 1994, at the recommendation of the RPD, Sony did not agree to sign the second amendment until October, 1996. Mr. Kenneth Coughlin, Jr., attorney for Sony, states that Sony

identified various technical problems with the second amendment, and negotiated the proposed subject third amendment with the City in order to correct these technical problems (see below). The RPD has never advised the Board of Supervisors of any problems with the second amendment, subsequent to recommending its approval to the Board of Supervisors. According to Mr. Prindle, Sony signed the second amendment in October 1996, only after the Recreation and Park Commission had approved the subject proposed third amendment to the Scoreboard Agreement, in August, 1996. A letter to the RPD from Mr. Coughlin states that Sony will not consider the second amendment to be binding until this third proposed amendment is approved (see Attachment No. 1).

Although the proposed third amendment was approved by the Recreation and Park Commission in August, 1996, Mr. Prindle states that the subject third amendment was not submitted for Board of Supervisors approval until the present time because, in December, 1996, the Board of Supervisors approved a resolution urging City departments to require compliance with the Non-Discrimination in City Contracts Benefits Ordinance as of its effective date of June 1, 1997, in all contracts with a term of more than two years approved between December, 1996 and June 1, 1997. Mr. Prindle advises that the RPD did not submit the proposed third amendment to the Scoreboard Agreement to the Board of Supervisors because Sony officials stated that they would not comply with the Non-Discrimination in City Contracts Benefits Ordinance. The RPD states that it was attempting to reach a compromise with Sony on this issue. No such compromise has been reached. Ms. Miriam Morley of the City Attorney's Office advises that the Non-Discrimination in City Contracts Benefits Ordinance applies to amendments to existing contracts, as well as to new contracts. (See Comment No. 1 and Attachment No. 2, a letter from the RPD.)

Mr. Prindle states that the subject third amendment has been submitted to the Board of Supervisors at this time because this May 21, 1997 meeting of the Finance Committee represents that last opportunity for the Board of Supervisors to approve the subject amendment without requiring Sony to comply with the Non-Discrimination in City Contracts Benefits Ordinance, which goes into effect on June 1, 1997. In other words, the resolution approved by the Board of Supervisors in December, 1996 urged that contracts approved prior to June 1, 1997 include compliance with the Non-Discrimination in City Contracts Benefits Ordinance as of June 1, 1997, but did not require such compliance, so the

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Board of Supervisors could decide to waive such compliance if the subject amendment is approved prior to June 1, 1997.

Provisions of the Proposed Third Amendment

• **Change in Term of Agreement**

The existing second amendment to the Scoreboard Agreement extended the term to March 31, 2001. The proposed third amendment would (1) shorten the term by one year, to March 31, 2000; BUT (2) provide for an automatic extension of the term to last as long as the City has a lease with the 49ers at 3Com Park. According to Mr. Phil Arnold, formerly of the RPD, who negotiated the proposed third amendment, shortening the initial term by one year conforms the agreement to the amortization schedule. Mr. Arnold further states that the automatic extension provides the City with the flexibility to continue the existing advertisement arrangement as long as 3Com Park is utilized by the 49ers, rather than possibly having to negotiate a change of advertisers with only one or two years of use of the stadium remaining. Because the subject amendment does not adequately address the distribution of gross advertising revenues after the year 2001, the Budget Analyst cannot analyze the fiscal impact of this provision. See Comment No. 6.

• **Clarification of Definition of Gross Advertising Revenue**

The existing second amendment refers to payments received for advertisements "appearing on the Equipment" in its definition of gross advertising revenue. This phrase is deleted in the proposed third amendment, to clarify that the agreement covers revenue from all advertising inside the stadium (with the exception of the GAP signs, which are included under a separate agreement with the Giants), as well as the approved advertising equipment outside the stadium. Mr. Arnold advises that Sony sells billboard advertising inside the stadium, in addition to the advertising on the scoreboard equipment, and distributes the advertising revenues from such billboards according to the terms of the agreement. This clarification will have no new fiscal impact on the City.



**• Revision of Installation Dates and Amortization Schedule for Exterior Marquees and Parking Lot Displays**

Under the existing second amendment, Sony was expected to install two exterior advertising marquees and three parking lot display signs in 1994. The cost of these marquees and display signs was to be amortized from advertising revenues, as with the scoreboard itself. However, because of delays in obtaining approval of the subject marquees and display signs from the Planning Commission, and also because of delays on the part of Sony in obtaining advertisers for these new advertising marquees and signs, the marquees and signs were not actually installed until 1996. The proposed third amendment would change the amortization schedule to show amortization of the marquees and the signs starting in 1997, and completed by the year 2000. See Comment No. 2 for a discussion of the fiscal impact of this provision.

**• Clarification that Base Payments from Advertising Revenues to City May Not Be Deducted by Sony in Calculating Net Advertising Revenues**

Under the existing agreement, Sony pays the City certain base payments of approximately \$319,000 to \$368,000 per year, intended to defray the City's cost of operating the scoreboard equipment and to provide compensation to the City for giving Sony the exclusive right to sell permanent advertising space inside 3Com Park. The proposed third amendment would clarify that such base payments cannot be deducted by Sony in its calculation of the 65 percent of net advertising revenues due to the City. See Comment No. 3 for a discussion of the fiscal impact of this provision.

**• One Time Sales Commission Incentive Payment on April 15, 2001**

Sony retains an agent to sell advertising at 3Com Park. According to Mr. Arnold, the proposed third amendment would permit Sony to deduct from its Year 2001 calculation of net advertising revenue the total value of the difference between a sales commission applied to gross advertising revenues in each year of the agreement, and the 35 percent of net advertising revenues received by Sony in that year. The sales commission would be five percent of gross advertising revenue up to \$880,000, 17.5 percent of gross advertising revenue from \$881,000 to \$2.2 million, and 22 percent of gross advertising revenue above \$2.2 million. However, according to preliminary analysis conducted by the RPD, this provision would result in minor fiscal impact to the City,



because the 35 percent of net advertising revenue received by Sony is expected to fully cover the sales commission in most years. The Budget Analyst has insufficient data to verify this preliminary RPD analysis. (See Comment No. 5.)

- **City's Agreement to Pay Portion of Sales Tax**

Under the proposed third amendment, the City would permit Sony to amortize approximately half of the Sales Tax that Sony paid for the equipment installed under the second amendment, through deductions from advertising revenues prior to the calculation of the City's 65 percent share of advertising revenues. The third amendment specifies that Sony can amortize a total of \$165,500 in Sales Tax payments. See Comment No. 2 for a discussion of this fiscal impact of this provision.

- **Indemnification Clause**

The proposed third amendment would add a clause stating that neither the City nor Sony will hold the other liable for any damages or losses suffered relating to the subject matter of either the second amendment or the third amendment. Mr. Scott Emblidge of the City Attorney's Office states that this clause would prevent the City from seeking damages from Sony in the event that a malfunction of the scoreboard resulted in cancellation of a game or reduced attendance, thereby causing loss of revenues to the Giants or the 49ers, and by extension, to the City. Mr. Emblidge advises that the subject clause would not prevent the City from seeking damages related to the value of the scoreboard, in the case of malfunction, but would prevent recovery of damages related to reduced revenue. According to Emblidge, Sony has stated to the City Attorney's Office that it has included the subject indemnity clause in all of its scoreboard agreements since late 1997. Mr. Emblidge states that the City agreed to the subject clause because Sony has a strong incentive (protection of its reputation in the stadium scoreboard business) to prevent such an occurrence. The fiscal impact of this provision is contingent upon whether or not any damages occur, and the extent of such potential damages.

**Comments:**

1. Approval of the proposed resolution prior to June 1, 1997 would authorize the RPD to amend the Sony contract without requiring Sony to comply with the Non-Discrimination in City Contracts Benefits Ordinance.
2. Based on information provided by the RPD, which indicates that the permitted Sales Tax deduction would total \$165,500, the subject third amendment would cost the City

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

approximately \$107,575 (65 percent of \$165,500) in deductions that could be made by Sony from gross advertising revenue related to Sales Tax costs, amortized over three years. The adjustments to the overall amortization schedule to reflect the fact that the two marquees and the three parking lot display signs were installed two years later than originally anticipated result in lower amortization (and therefore higher revenues to the City) in 1995 and 1996, and higher amortization (and therefore lower revenues to the City) in 1997 through 2000.

Based on information provided by the RPD, which the Budget Analyst could not verify in the short time provided for analysis of the subject amendment, the Budget Analyst estimates that the net present value of the added cost related to the additional Sales Tax deduction and the adjustments to the amortization schedule total approximately \$67,150.

3. The proposed third amendment clarifies that the base payments of advertising revenue by Sony to the City cannot be deducted from gross revenues by Sony prior to calculation of the 65 percent of net revenues due the City. Mr. Arnold states that, although Sony has made net revenue payments to the City based on this interpretation of the second amendment from the start, the City would incur a significant financial risk if this provision is not clarified. In other words, Mr. Arnold cautions that, without the proposed clarification, Sony or the City's auditors might at some future date require repayment by the City of 65 percent of the total value of the base payments, or a net present value of approximately \$1.7 million.

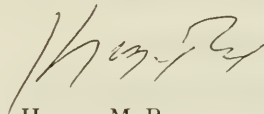
4. In summary, based on information provided by the RPD which the Budget Analyst could not verify in the short time provided for analysis of the subject amendment, the Budget Analyst estimates the following fiscal impact of the subject amendment: (1) the City would lose a net present value of approximately \$67,150 over the life of the agreement (see Comment No. 2); however (2) by approving the proposed amendment the City would clarify a provision which would protect the City from a potential, but unlikely, claim for approximately \$1.7 million against the City by Sony (see Comment No. 3).

5. In the professional judgement of the Budget Analyst, the language in the proposed third amendment related to the sales commission could be interpreted to mean that the Sony can deduct the full amount of the sales commission, calculated for each year of the agreement, in 2001, rather than the difference between the sales commission and the 35

percent of net advertising revenue received by Sony. Both Mr. Arnold and Mr. Coughlin state that the intent of the third amendment was to permit Sony to deduct only the difference between the sales commission and the 35 percent of net advertising revenue received by Sony. The Budget Analyst recommends that this intention be clarified, so that the City does not risk loss of substantial advertising revenue.

6. In the professional judgement of the Budget Analyst, the proposed third amendment does not adequately address the distribution of gross advertising revenues after the year 2001, in the event that the agreement is extended because the City still has a lease with the 49ers at 3Com Park. The Budget Analyst recommends that this matter also be clarified, to ensure that the City continues to receive its proper annual share of advertising revenues from Sony.

- Recommendations:**
1. The RPD and the City Attorney's Office should obtain a written statement clarifying (1) that Sony may deduct only the difference between the sales commission and the 35 percent of net advertising revenue received by Sony over the life of the agreement, in the year 2001, so that the City does not risk loss of substantial advertising revenue (see Comment No. 5); and (2) the distribution of gross advertising revenues after the year 2001 if the agreement is still in effect, to ensure that the City continues to receive its proper share of annual advertising revenues (see Comment No. 6).
  2. Approval of the proposed resolution is a policy decision for the Board of Supervisors.



Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board

Controller  
Steve Agostini  
Stephen Kawa  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**SONY**

Sony Electronics Inc., Law Department  
 3 Paragon Drive, Montvale, New Jersey 07645 17:35 Telephone: (201) 260-1000 Fax: (201) 398-4900

October 21, 1996

Mr. Tom Hart,  
 Sr. Administrative Analyst  
 City and County of San Francisco  
 McLaren Lodge, Golden Gate Park  
 Fell and Stanyan Streets  
 San Francisco, CA 94117

Re: JumboTron Systems Division: Amendments No. 2 and 3 to Prime Contract  
 with City of San Francisco for Candlestick Park

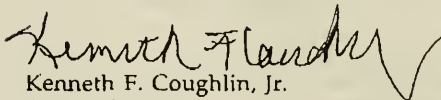
Dear Mr. Hart:

Enclosed please find three (3) Sony Electronics signed copies of each of the second and third Amendments to the 1987 Agreement to furnish scoreboard and other related services. We have kept the fourth copy for our files. Please advise me by letter when San Francisco's Board of Supervisors and the Mayor have approved Amendment No. 3. Until that time, neither of these Amendments will be deemed binding on Sony Electronics.

Thank you for your very kind assistance.

Very truly yours,

SONY ELECTRONICS INC.

  
 Kenneth F. Coughlin, Jr.  
 Group Counsel

KFC/II

cc: J. D'Intrino  
 J. Scarcella  
 A. Turiello

Enclosures

Post-It™ brand fax transmittal memo 7671		# of pages > 1
To <i>Eve Sternberg</i>	From <i>E. Prindle</i>	
Co.	Co.	
Dept.	Phone # <i>666-7080</i>	
Fax # <i>252-0461</i>	Fax # <i>221-8034</i>	





**Date:** May 16, 1997  
**To:** Eve Sternberg, Budget Analyst Office  
**From:** Ernie Prindle *Ernie*  
**Re:** Sony Lease Amendment

This is in response to Mr. Rose's inquiry as to why the Department is requesting that this lease amendment be calendared this week. As stated in the attached legislation and letter to the Clerk of the Board of Supervisors, this amendment was approved by the Recreation and Park Commission in August 1996 prior to the passage of the Non-Discrimination in City Contracts Benefits Ordinance, and Sony does not offer this benefit to its employees. My understanding of this legislation is that the Board, as a matter of policy prior to June 1, may approve contracts that do not include the requirements the Non-Discrimination in City Contracts Benefits Ordinance, however after June 1, all contracts must include this legislation. Therefore, we are requesting that this lease amendment be calendared prior to June 1, so that the Board of Supervisors may consider this lease amendment prior to the implementation of the Non-Discrimination in City Contracts Benefits Ordinance.





# CALENDAR

## Finance Committee Board of Supervisors City and County of San Francisco

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MAY 27 1997

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### REGULAR MEETING

WEDNESDAY, MAY 28, 1997 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky

❖ ❖

### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, MAY 28, 1997 – 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

CONSENT CALENDAR

1.

All matters listed hereunder constitute a Consent Calendar, are considered to be routine by the Finance Committee and will be acted upon by a single roll call vote of the Committee. There will be no separate discussion of these items unless a member of the Committee so requests, in which event the matter shall be removed from the Consent Calendar and considered as a separate item.

- 1a. File 172-97-25. [Affinity Phone Card] Resolution authorizing the City Administrator to enter into an amendment to operating and licensing agreement for the San Francisco Affinity Phone Card program. (Supervisor Bierman)  
**(FISCAL IMPACT REVIEW, MAY 20, 1997 – RECOMMENDED TO THE BOARD BY THE ECONOMIC DEVELOPMENT, TRANSPORTATION AND TECHNOLOGY COMMITTEE.)**
- 1b. File 101-96-77. [Appropriation, Municipal Railway] Ordinance appropriating \$3,367,529, Municipal Railway, of Municipal Railway Operating Funds (fare, toll and subvention revenue), to fund a projected shortfall in Workers' Compensation for fiscal year 1996-97. RO #96311. (Controller)
- 1c. File 101-96-78. [Appropriation, Police Department] Ordinance appropriating \$660,903, \$127,519 from General Fund Revenue, and \$533,384 from interest earned on 1987 Police Facilities Improvement Bonds, to capital improvement project to allow the Police Department to complete construction of the Mission, Taraval and Park Stations for fiscal year 1996-97. RO #96305. (Controller) Referred to Finance Committee.
- 1d. File 101-96-79. [Appropriation, Public Utilities Commission] Ordinance appropriating \$1,800,000, Public Utilities Commission, of 1998B Clean Water Sewer Revenue Bond proceeds to a capital improvement project for the predesign of the Recycled Water Master Plan (Phase 1) for fiscal year 1996-97. RO #96302. (Controller)

- 1e. File 101-96-80. [Appropriation, DA/Juvenile Probation/DPT/DHR] Ordinance appropriating \$1,538,222, from the General Fund Reserve to Workers' Compensation and professional services, to address projected budget shortfalls at the District Attorney, Juvenile Probation, Parking and Traffic, and Human Resources departments for fiscal year 1996-97. RO #96301. (Controller)
- 1f. File 172-97-27. [MUNI Trolley Bus Contract] Resolution approving the award of San Francisco Municipal Railway Contract Proposal No. 888 for procurement of articulated and standard trolley coaches to Electric Transit Incorporated, in an amount not to exceed \$168,752,888. (Public Utilities Commission)
- 1g. File 168-97-1. [Park and Open Space Fund, 1997-98] Resolution concurring with the general recommendations on the Park and Open Space Fund for fiscal year 1997-1998, reserving approval or disapproval on specific acquisitions. (Recreation and Park Department) (COMPANION TO THE FOLLOWING FILE.)
- 1h. File 271-97-4. [CEQA Findings and General Plan Amendments] Resolution approving amendments to the San Francisco General Plan in order to approve acquisition of Lot 67 in Assessor's Block 2923 and lots 10, 11, 12, 13 and 21 in Assessor's Block 2934 known as Edgehill Mountain open space extension, and Lot 2 in Assessor's Block 4061, known as Esprit Park, by the City and County of San Francisco, for enlargement of one public open space, and establishment of a new public park. The amendment was adopted by the Planning Commission by Resolution No. 14363 on May 1, 1997, incorporating by reference findings pursuant to the California Environmental Quality Act as analyzed in the Certificate of Determination of Exemption/Exclusion from Environmental Review for the amendments to the Recreation and Open Space Element of the General Plan, File No. 97.118EM; companion measure to File 168-97-1. (General Rules Exclusion (State Guidelines, Section 15061(b)(3). Planning Commission Resolution 14363 dated 5/1/96 adopting the General Plan Amendment. Planning Commission Resolution 14364 dated 5/1/97 finding the project in conformity with the General Plan). (Planning Department) (COMPANION TO THE PRECEDING FILE.)

**PURSUANT TO GOVERNMENT CODE SECTION 65009, THE FOLLOWING NOTICE IS HEREBY GIVEN:** If you challenge this resolution in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

- 1i. File 96-97-3. [Sale of Surplus Property] Resolution authorizing the sale of 3,014 square feet of land of Water Department surplus real property located in Sunol, Alameda County to the State of California for \$2,500. (Real Estate Department)

**ACTION:**

## REGULAR CALENDAR

2. File 190-97-5. [Red Light Running] Hearing to consider all available traffic control options for addressing the red light epidemic in San Francisco, including, without limitation, the feasibility of altering signal intervals, using "all red" timing, installing mid-block red light signals, installing mid-block flashing red light warning signals, using emerging technologies, and any other option that might reduce red light running and the deadly accidents they cause. (Supervisor Leal)

ACTION:

3. File 101-96-67. [Appropriation, Commission on Aging] Ordinance appropriating \$75,000, Commission of the Aging, for professional services, from General Fund Reserve. (Supervisor Yaki)

ACTION:

4. File 121-97-1. [Specialized Motor Vehicles for Hire] Ordinance amending Police Code Section 1076, the definitional section and adding Sections 1148 through 1148.5 providing for the issuance of permits and the operation and regulation of specialized motor vehicles for hire (ramped taxi). (Supervisor Ammiano)  
(Continued from 5/21/97 as amended.)

ACTION:

5. File 101-96-75. [Appropriation, Human Rights Commission] Ordinance appropriating \$151,876, Human Rights Commission, from the General Fund Reserve for professional services to conduct a disparity study of minority and women business utilization in fiscal year 1997-96. RO #96316. (Controller)

ACTION:

6. File 101-96-81. [Appropriation, Sheriff's Department] Ordinance appropriating \$1,195,000, Sheriff's Department, from the General Fund Reserve for salaries, fringe benefits, professional services and services of other departments for the creation of one (1) position for preplanning costs related to the replacement of County Jail Number Three for fiscal year 1996-97; companion measure to File 102-96-17. RO #96310. (Controller) (COMPANION TO THE FOLLOWING FILE.)

ACTION:

7. File 102-96-17. [Salary Ordinance Amendment, Sheriff's Department] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97), Sheriff's Department, reflecting the creation of one (1) position (Class 1370 Special Assistant XI); companion measure to File 101-96-81. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE.)

ACTION:



8. File 101-96-82. [Appropriation, Dept of Building Inspection] Ordinance appropriating \$546,000, Department of Building Inspection, from the Building Inspection Fund for salaries, fringe benefits, facilities maintenance, materials and supplies and equipment for the creation of ten (10) positions to improve permitting services and transmit plans electronically to Planning Department for fiscal year 1996-97; companion measure to File 102-96-18. RO #96312. (Controller) (COMPANION TO THE FOLLOWING FILE.)

ACTION:

9. File 102-96-18. [Salary Ordinance Amendment, Sheriff's Department] Ordinance amending Ordinance No. 298-96 (Annual Salary Ordinance, 1996/97), Building Inspection Department, reflecting the creation of ten (10) positions (Class 1374 Special Assistant XV (1); 1372 Special Assistant XIII (4), AA43 Permit Clerk II (4), 1446 Secretary II (1); companion measure to File 101-96-82. (Department of Human Resources) (COMPANION TO THE PRECEDING FILE.)

ACTION:

10. File 25-97-8. [Prop J Contract, Shuttle Bus Services] Resolution approving the Controller's certification that shuttle bus services for San Francisco International Airport can practically be performed by private contractor at a lower cost for the first half of the fiscal year commencing July 1, 1997 than if work were performed by City and County employees. (Airport)

ACTION:

11. File 69-97-1. [Supplemental Appropriation Request] Motion directing the Clerk to seek a supplemental appropriation and to take other steps necessary to appoint legislative analysts to assist and advise the Board of Supervisors on pending legislation and policy matters. (Supervisor Kaufman)

ACTION

12. File 97-97-15. [Fiscal Impact] Ordinance amending Administrative Code Section 2.6-3 which requires that legislation which has a fiscal impact be reviewed by the fiscal committee of the Board of Supervisors, to amend the definition of fiscal impact to apply when an expenditure or commitment of city funds exceeds \$200,000 in any fiscal year, or \$1,000,000 over a five-year period. (Supervisor Kaufman)

ACTION:

13. File 112-97-1. [Official Newspaper for Fiscal Year 1997-98] Resolution designating the San Francisco Independent to be the official newspaper of the City and County of San Francisco for specified categories of official advertising commencing July 1, 1997. (Purchasing Department)

ACTION:

14. File 112-97-2. [Official Newspaper for Fiscal Year 1997-98] Resolution designating an organization to be official newspaper of the City and County of San Francisco for specified categories of advertising, commencing July 1, 1997. (Purchasing Department)

ACTION:

### CLOSED SESSION PENDING LITIGATION

The Finance Committee of the Board of Supervisors may meet in closed session under the provisions of Government Code Section 54956.9(b) to discuss the proposed supplemental appropriation of funds for the New Jail Facility, and the related litigation of STOLTE V. SAN FRANCISCO and other consolidated cases, San Francisco Superior Court No. 976083.

15. File 101-96-76. [Appropriation, City Attorney] Ordinance appropriating \$943,100, City Attorney, of Correctional Facilities Improvement Funds (revenue from a settlement), to salaries, fringe benefits and litigation costs to defend the City against a claim concerning the New Sheriff's Facility for fiscal year 1996-97. RO #96313. (Controller)

ACTION:

The Finance Committee of the Board of Supervisors may find that it is in the best interest of the City not to disclose any information revealed in its closed session deliberations in the above item at this time and may move not to disclose any information at this time.

### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 97-97-24, Fire Department Response Fees (Draft Ordinance), (Mayor), 30 day Rule expires 5/29/97.

File No. 97-97-25, Bonding and Financial Assistance Program, Contractor, (Supervisor Leal), 30 day Rule expires 5/29/97.

File No. 97-97-26, Property tax exemption, low value, (Supervisor Brown), 30 day Rule expires 6/4/97.

File No. 127-97-4, Hotel Tax Reallocation, City-owned Cultural Centers, (Supervisor Bierman), 30 day Rule expires 6/4/97.

File No. 127-97-5, Hotel Tax Technical Amendments, (Supervisor Bierman), 30 day Rule expires 6/4/97.

File No. 54-97-7, Board of Supervisors Community Outreach/Constituent Liaison, (Supervisor Katz), 30 day Rule expires 6/18/97.

Watch future calendars for scheduling of these matters.



**FINANCE COMMITTEE**

S.F. Board of Supervisors

Veterans Building

401 Van Ness Avenue, Room 308

San Francisco, CA 94102

**IMPORTANT HEARING NOTICE!!!**

CITY AND COUNTY



OF SAN FRANCISCO

197  
**BOARD OF SUPERVISORS**

**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

May 23, 1997

**TO:** Finance Committee

**FROM:** Budget Analyst *Recommendation for meeting*

**SUBJECT:** May 28, 1997 Finance Committee Meeting

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MAY 23 1997

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Item 1a - File 172-97-25

**Note:** This item was transferred from the May 20, 1997 Economic Development, Transportation and Technology Committee Meeting to the Finance Committee for fiscal impact.

**Department:** Administrative Services Department

**Item:** Resolution authorizing the City Administrator to enter into an amendment to the operating and licensing agreement for the San Francisco Affinity Prepaid Phone Card Program.

**Description:** In May of 1996, the Board of Supervisors approved a resolution authorizing the Chief Administrative Officer (CAO), now known as the City Administrator, to enter into an operating and licensing agreement with Winston Taylor, Inc., for the development and operation of the San Francisco Affinity Prepaid Phone Card Program. (File 186-96-3). Under this program, the City receives a percentage of revenue generated through the sale of prepaid telephone cards, which provide a certain amount of long distance telephone calls at a set cost (e.g. \$10 for 25 minutes of long distance calls).



Under the existing agreement, Winston Taylor has the exclusive right to sell official San Francisco Affinity Prepaid Phone Cards, which bear the seal of the City and County of San Francisco, through vending machines, retail outlets and other channels specified in the agreement. San Francisco Affinity Prepaid Phone Cards are currently available for sale through (1) vending machines located on City-owned property, including the Airport, (2) the San Francisco Visitors and Convention Bureau and its members; and (3) some City-contracted concessionaires (e.g., at the Recreation and Park Department).

Under the agreement, Winston Taylor is responsible for the purchase, installation, collection of monies and maintenance of all vending machines, and for all other operating expenses in connection with the San Francisco Affinity Prepaid Phone Card Program, at no cost to the City. The agreement provides that the City shall receive a percentage of revenues generated from the sale of San Francisco Affinity Prepaid Phone Cards by Winston Taylor, based on the following schedule:

- **18.5% of all Modified Gross Revenue**  
Modified Gross Revenue is defined as gross revenue less (1) City commissions, if any; paid to City departments as a consideration for the use and placement of vending machines on property within their jurisdiction; (2) the selling price of Phone Cards returned by customers (due to customer dissatisfaction or product damage) and accepted for credit; (3) sums paid by Winston Taylor in the settlement of claims for loss or damage not caused by Winston Taylor; and (4) the cost of other license agreements entered into by Winston Taylor.
- **45% of all Additional Revenue**  
Additional Revenue primarily includes revenue from "breakage" (residual) monies left on prepaid phone cards.
- **50% of all San Francisco Visitors and Convention Bureau Revenue**  
Bureau Revenue is net profits earned by Winston Taylor in connection with the sale and/or distribution of Affinity Prepaid Phone Cards to or on behalf of the San Francisco Visitors and Convention Bureau.
- **20% of all Recharge Revenue**

Recharge Revenue is defined as "recharges" on prepaid phone cards resulting from customers' adding additional long distance time to their prepaid phone cards.

Under the existing agreement, Winston Taylor also has the authority to sell San Francisco Affinity Prepaid Phone Cards through licensing agreements with retail outlets located on property not owned or controlled by the City. However, according to Mr. Neal Taniguchi of the Department of Administrative Services, Winston Taylor has had little success in identifying retail outlets which are willing to sell the San Francisco Affinity Prepaid Phone Cards. According to Mr. Taniguchi, this is because, under the agreement's current royalty schedule, Winston Taylor is unable to offer sufficient commissions to such retail outlets as an incentive to sell the Affinity Phone Cards without realizing a net loss. Mr. Taniguchi further advises that most City Departments which currently sell the Affinity Phone Card do not receive a commission from Winston Taylor, except the Airport and City-contracted concessionaires, which receive a 10 percent commission, as is permitted under the current agreement. According to Mr. Taniguchi, privately owned businesses usually expect to receive a commission of between 30 and 40 percent of gross receipts.

The proposed resolution would authorize an amendment to the existing agreement to lower the City's royalty percentage for sales of the Affinity Phone Card through retail establishments located on property not owned or controlled by the City from the current rate of 18.5 percent of modified gross revenue (as defined above) to 13.5 percent of gross retail revenue. Specifically, the proposed amendment would add an additional category of revenue, entitled "13.5 Percent of Retail Revenue" to the above royalty schedule. Retail Revenue would be defined as revenue generated from the sale or distribution of San Francisco Affinity Prepaid Phone Cards through (1) commercial establishments, stores or other retail outlets that are not San Francisco Visitors and Convention Bureau members or owned or controlled by the City; and (2) vending machines located on property not owned or controlled by the City or Bureau members.

According to Mr. Taniguchi, the proposed reduced royalty rate of 13.5 percent of retail revenue for the City, instead of 18.5 percent of modified gross revenue, would allow Winston Taylor to offer a commission of up to 20 percent to retail establishments with little or no affiliation with the City, as an incentive to sell the San Francisco Affinity Prepaid Phone Card. The City would continue to receive 18.5 percent of

gross modified revenue generated through the sale of Affinity Phone Cards through vending machines and City-contracted concessionaires located on property owned or controlled by the City.

The proposed resolution would also authorize an amendment to the existing agreement in order to clarify the definition of net profits under "Bureau Revenue" so that it explicitly defines the San Francisco Visitors and Convention Bureau's actual costs to sell and distribute the Affinity Prepaid Phone Card.

In addition, the proposed amendment would add a provision to the existing agreement in order to require Winston Taylor, Inc., to comply with the Non-Discrimination in Benefits Ordinance (effective June 1, 1997), which prohibits discrimination in the provision of benefits between employees with registered domestic partners and employees with spouses.

**Comments:**

1. Mr. Taniguchi advises that the Administrative Services Department estimates that the City could receive between \$303,750 and \$607,500 in additional revenue annually as a result of the proposed amendment, which would expand the number of outlets selling the San Francisco Affinity Prepaid Phone Card. This range is based on the following assumptions made by Winston Taylor: (a) between 250 and 500 of the estimated 6,000 available retail Points-of-Sale (POS) in San Francisco would be willing to sell the Affinity Phone Cards; (b) one-half of such stores would sell the Affinity Phone Cards over the counter and one-half would sell the Phone Cards through vending machines located on their premises; and (c) one-third of the Affinity Phone Cards sold would be over the counter and two-thirds would be sold through vending machines. Mr. Taniguchi advises that Winston Taylor plans to (a) provide vending machine maintenance, other support services and a commission of 10 percent of gross revenue to retailers who sell the Affinity Phone Cards through vending machines, and (b) offer a commission of 20 percent of gross revenue to retailers who sell the Affinity Phone Cards over the counter.

2. The table below shows the estimated additional annual revenues which could accrue to the General Fund as a result of the proposed amendments, based on Winston Taylor's assumptions.

	Estimated Additional Annual Revenue Assuming <u>250 POS</u>	Estimated Additional Annual Revenue Assuming <u>500 POS</u>
[a] Estimated Gross Revenue from SF Affinity Phone Cards Sold Through Vending Machines	\$1,500,000	\$3,000,000
[b] Estimated Gross Revenue from SF Affinity Phone Cards Sold Over the Counter	<u>750,000</u>	<u>1,500,000</u>
[c] Total Estimated Gross Revenue	\$2,250,000	\$4,500,000
<hr/>		
Commissions Paid to Retailers (10% of [a] plus 20% of [b])	\$300,000	\$600,000
City's Portion Under Proposed Amendment (13.5% of [c])	<u>\$303,750</u>	<u>\$607,500</u>

**Recommendation:** Approval of the proposed resolution is a policy matter for the Board of Supervisors.





Item 1b - File 101-96-77

**Department:** Municipal Railway (MUNI)

**Item:** Ordinance appropriating \$3,367,529 of Municipal Railway revenues to fund a projected shortfall in Workers' Compensation for the Municipal Railway for FY 1996-97.

**Amount:** \$3,367,529

<b>Source of Funds:</b>	Federal Transit Operating Assistance Funds	\$90,243
	Bridge Tolls - MTC AB664	217,320
	Passenger Fare Revenues	<u>3,059,966</u>
	<b>Total Appropriations Request</b>	<b>\$3,367,529</b>

**Description:** The Municipal Railway (MUNI) is projecting a budgetary shortfall of \$3,367,529 in Workers' Compensation expenditures. However, based on the analysis of the Budget Analyst, we project a budgetary shortfall of \$3,701,756, or \$334,227 more than had previously been projected by MUNI (Comment No. 1). Based on the Controller's records, the Budget Analyst projects a budgetary shortfall for Workers' Compensation expenditures as follows:

FY 1996-97 Budgeted Amount	Actual Expenditures 7/1/96 to 2/28/97	Projected Expenditures 3/1/96 to 6/30/97	Total Projected Expenditures FY 1996-97	Estimated Surplus/ (Deficiency)
\$10,471,789	\$9,449,030	\$4,724,515	\$14,173,545	(\$3,701,756)

The projected expenditures are based on a straight-line projection using the Departments' expenditures during the first eight months of FY 1996-97.

MUNI reports that the actual Workers' Compensation expenditures for FY 1995-96 were \$12,344,283. The projected expenditure for FY 1996-97 is \$14,173,545. According to Ms. Evelyn Bruce of MUNI, the primary reasons for the increase over last year's actual expenditures are due to both an increase in the statutory benefits and inflation. Based on current information, the Budget Analyst estimates that the budget deficiency in Workers' Compensation would be \$3,701,756 or \$334,227 more than the \$3,367,529 requested by MUNI.

**Comments:** 1. As previously noted, the Budget Analyst estimates that the budget deficiency in Workers' Compensation will be \$3,701,756, or \$334,227 more than the \$3,367,529 requested by the Department. Ms. Bruce of MUNI reports that MUNI will offset the additional projected budget deficiency of

\$334,227 from existing budgeted surplus funds, and no further supplemental appropriation request from MUNI is anticipated during the remainder of Fiscal Year 1996-97.

2. The Controller has certified the following sources of revenue to fund the budget deficiencies:

**Federal Transit Operating Assistance Funds -**

The budgeted revenues for Federal Transit Operating Assistance Funds were \$2,860,881. However, the actual allocation of Federal Transit Operating Assistance revenues of \$2,951,124 exceeded estimates for a net increase in Federal Transit Operating Assistance revenues of \$90,243. \$90,243

**Bridge Tolls -** The budgeted revenues for Bridge Tolls were \$1,925,137. Based on the current estimates of MUNI and the Controller, actual Bridge Toll revenues of \$2,142,457 will exceed budgeted revenues by \$217,320. 217,320

**Passenger Fare Revenues -** The budgeted revenues from passenger fares were \$92,250,000. Due to higher than expected Cash Fares and Fastpass revenues, based on the current estimates by MUNI and by the Controller, projected actual Passenger Fare revenues of \$95,309,966 will exceed budgeted revenues by \$3,059,966. 3,059,966

**Projected Actual Revenue in Excess of \$3,367,529  
of Budgeted Revenue**

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

Memo to Finance Committee  
May 28, 1997

Item 1c - File 101-96-78

**Department:** Police Department

**Item:** Ordinance appropriating \$660,903 to complete the construction and renovation of the Mission, Taraval and Park District Police Stations.

**Amount:** \$660,903

**Source of Funds:** Interest earnings from 1987 Police Facilities Improvement  
General Obligation Bond Funds: \$533,384  
Proceeds from the Sale of Surplus Land: 127,519  
Total \$660,903

**Description:** In June of 1987, the San Francisco electorate approved a \$28 million General Obligation Bond measure to improve Police Department facilities. To date, \$27,999,987 in bonds have been sold and appropriated. In addition, \$4,966,314 of \$5,499,698 in interest earnings have been appropriated for a total of \$32,966,301. Under this proposed ordinance, the remaining \$533,384 in interest earnings, plus an additional \$127,519 in proceeds from the sale of land, would be appropriated to the Police Facilities Capital Projects Fund, for a total of \$660,903.

**Budget:** According to Captain Fagan of the Police Department, \$554,032 of this request of \$660,903 would fund unanticipated construction and renovation costs at the Mission, Taraval and Park District Police Stations, and the remaining \$106,871 of this request would reimburse the General Fund for administrative costs (see Comment No. 1), as follows:

Construction Costs	\$554,032
County Wide Cost Allocation Program (COWCAP)	<u>106,871</u>
Total	\$660,903

According to Captain Fagan, the unanticipated costs for the Mission, Taraval and Park Police Stations pertain to the following expenditures:

Mission Police Station

Toxic soil abatement	\$123,933
Additional Americans with Disabilities Act (ADA) requirements	<u>173,327</u>
<b>Subtotal</b>	<b>\$297,260</b>

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Taraval Police Station

Lease of temporary police facilities*	\$132,124
Additional lead abatement requirements	78,744
Additional structural steel strengthening	66,170
Additional ADA requirements	<u>165,696</u>
<b>Subtotal</b>	<b>\$442,734</b>

Park Police Station

Renovation of temporary police facilities	\$138,532
Storm damage repair	33,247
Additional ADA requirements	<u>32,101</u>
<b>Subtotal</b>	<b>\$203,880</b>
Total Construction Costs	\$943,874
Previously Released Reserved Funds	<u>(389,842)</u>
<b>Remaining Construction Costs</b>	
(subject of this request)	<b>\$554,032</b>

\* Approved by the Board of Supervisors in October of 1993 (File 64-93-26.1)

**Comments:**

1. The \$106,871 portion of this \$660,903 request would pay for the 1987 Police Facilities Improvement Bond Fund expenses related to the payment of City-wide overhead costs. Mr. Matthew Hymel of the Controller's Office advises that a one-time appropriation in the amount of \$106,871 to cover such expenses related to the administration of the 1987 Police Facilities Improvement Bond General Obligation Funds is required at this time.

2. According to Captain Fagan, the total unanticipated costs incurred during construction and renovation of the Mission, Taraval and Park District Police Stations is \$943,874. The Finance Committee released \$389,842 in previously reserved interest earnings on 1987 Police Facilities Improvement General Obligation Bonds to cover a portion of such costs (Files 101-90-86.5, 101-91-75.3, and 101-91-75.4). This subject request would cover the remaining costs of \$554,032 (\$943,874 less \$389,842).

3. According to Mr. Gary Hoy of the Department of Public Works, all of the additional unanticipated construction and renovation work itemized above has been completed and these subject requested funds would be used to pay the contractors for amounts owed.

Contracts were awarded on a competitive bid basis for \$811,750 as shown below and, together with the cost of the temporary lease of \$132,124, the total project costs were \$943,874, as follows:

Mission Police Station

<u>Contractor</u>	<u>MBE/WBE Status</u>	<u>Contract Amount</u>	<u>Service</u>
Peak Engineering	MBE	\$123,933	Lead abatement
Nibbi Lowe, Inc. A Joint Venture	MBE	173,327	Construction

Taraval Police Station

Acumen Industrial Hygiene & Marcor of California	MBE	\$78,744	Lead abatement
Transworld Construction	MBE	231,866	Construction

Park Police Station

Nibbi Lowe, Inc. A Joint Venture	MBE	\$138,532	Construction
Barnes/Lem, A Joint Venture	MBE	32,101	Construction
Western Roofing Service	—	<u>33,247</u>	Roof replacement
Subtotal		\$811,750	
Temporary Lease with the Park Merced Company		<u>132,124</u>	
Total Costs Incurred		\$943,874	

**Recommendation:** Approve the proposed ordinance.





Item 1d - File 101-96-79

**Department:** Public Utilities Commission

**Item:** Ordinance appropriating \$1,800,000 of 1988B Clean Water Sewer Revenue Bond Proceeds for Phase I of the Recycled Water Master Plan.

**Amount:** \$1,800,000

**Source of Funds:** 1988B Clean Water Sewer Revenue Bond Proceeds

**Description:** According to Ms. Karen Kubick of the Public Utilities Commission (PUC), the proposed ordinance would provide funding for the design of recycled water treatment, storage, and distribution facilities outlined in the City's Recycled Water Master Plan. Ms. Kubick reports that, pursuant to the California Water Recycling Act of 1991, which requires water suppliers and wastewater dischargers to assume responsibility for recycled water development, the PUC and the Department of Public Works (DPW) developed a Recycled Water Master Plan for San Francisco. Ms. Kubick states that the purpose of the Recycled Water Master Plan is to enable the City to reduce ocean discharge of wastewater, to meet future consumer demand for water by recycling non-potable water to be used for non-drinking purposes, thus making 10 million gallons of potable water, currently being used for non-drinking purposes, regularly available for drinking, and to satisfy State and local environmental requirements.

According to Ms. Kubick, Phase I of the Recycled Water Master Plan includes completing the design work for a recycled water treatment plant, a storage reservoir, pumping systems, and 15 miles of combination recoiled water distribution and Auxiliary Water Supply System (AWSS) fire protection pipelines. In addition, Ms. Kubick reports that an Environmental Impact Review would be conducted for the distribution system, and geotechnical work to study the soils at the proposed sites of the treatment plant and reservoir would be completed.

**Budget:** The project budget for Phase I of the Recycled Water Master Plan is as follows:

Contractual Services	\$1,500,000
In-house Services by DPW and the PUC Utilities Engineering Bureau (UEB)	300,000
Total	\$1,800,000

According to Ms. Kubick, the contractual services to be provided under Phase I of the Recycled Water Master Plan include the following:

Treatment Plant Design	\$600,000
Storage Design	200,000
Distribution Design	150,000
Geotechnical Work	250,000
AWSS Environmental Impact Review	100,000
Public Information (see Comment #2)	<u>200,000</u>
Total	\$1,500,000

In addition, DPW and UEB personnel would expend 4,422 hours to assist the outside contractor in completing the Treatment Plant Design and Distribution Design Portions of the project, as follows:

Department of Public Works	Hourly		
	Hours	Rate	Total
Classification 5506 Project Manager III	414	\$97	\$40,160
Classification 5258 Senior Mechanical Engineer	160	95	15,200
Classification 5256 Mechanical Engineer	240	75	18,000
Classification 5254 Associate Mechanical Engineer	480	68	32,640
Classification 5366 Engineering Associate II	400	60	24,000
Classification 5366 Engineering Associate II	400	50	20,000

**PUC: Utilities Engineering Bureau**

Classification 5504 Project Manager II	1,428	83	118,500
Classification 5381 Student Engineering Trainee II	450	38	17,100
Classification 5380 Student Engineering Trainee I	<u>450</u>	32	<u>14,400</u>
Total	4,422		\$300,000

Phase I is scheduled to begin in July of 1997 and to be completed by November of 1997.

**Comments:**

1. Ms. Kubick advises that the Storage Design, Geotechnical Work, AWSS Environmental Impact Review, and Public Information portions of Phase I will be done by CH2MHill/Montgomery Watson/Olivia Chen Consultants Engineering Joint Venture, for a cost of \$1,500,000 based on 14,286 hours of work at an average hourly rate of \$105. Ms. Kubick reports that CH2MHill/Montgomery Watson/Olivia Chen Consultants Engineering Joint Venture was selected through a Request for Proposal (RFP) process. Ms. Kubick states that Olivia Chen Consultants is a certified WBE firm. Olivia Chen Consultants will be allocated \$375,000 or 25 percent of the \$1,500,000 contract. Ms. Kubick reports that the two firms working with Olivia Chen Consultants,

CH2M Hill and Montgomery Watson, are not MBE or WBE firms. Ms. Kubick reports that overall MBE/WBE participation in the contract, including contractors and subcontractors, is 52 percent (23 percent MBE, 29 percent WBE) in accordance with the following table:

<u>Name of Contractor and Subcontractor</u>	<u>MBE/WBE Status</u>	<u>Amount Allocated</u>	<u>Percent of Total Contract</u>
Olivia Chen Consultants	WBE	\$375,000	25
Michael E. Willis & Associates, Inc.	MBE	75,000	5
EPC Consultants, Inc.	MBE	105,000	7
Structus	MBE	120,000	8
Talaveras & Richardson	MBE	45,000	3
Public Affairs Management	WBE	45,000	3
The Duffey Company	WBE	<u>15,000</u>	<u>1</u>
Total		\$780,000	52

According to Ms. Kubick, three other firms also responded to the RFP, including Metcalf & Eddy/DSWA Joint Venture, Black and Veatch, and Parsons Brinckerhoff.

2. The contract amount of \$1,500,000 includes \$200,000 for Public Information. According to Ms. Kubick, the Recycled Water Master Plan involves extensive community outreach, and therefore an allocation of \$200,000 would be expended for such Public Information work. The expenditure details for these Public Information costs are contained in Attachment I.

3. According to Ms. Kubick, this project has been coordinated with the Fire Department and the Recreation and Park Department. Ms. Kubick states that pipelines and appurtenances were sized for fire flows, and that the Recreation and Park Department, as the largest potential user, participated in irrigation pilot study work.

4. According to the PUC, implementation of this project would, among other outcomes, (A) make recycled non-potable water available to be used for non-drinking purposes, thus enabling 10 million gallons of potable water, currently being used for non-drinking purposes, to be regularly available for drinking purposes, (B) extend the Auxiliary Water Supply System to the west side of the City where attached wood frame homes are vulnerable to fires, and (C) ensure compliance with State and local regulations (Attachment II).

**Recommendation:** Approve the proposed ordinance.

PUBLIC UTILITIES COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO



E. DENNIS NORMANDY  
PRESIDENT

WILLIE L. BROWN JR., MAYOR

ANSON B. MORAN, GENERAL MANAGER

VICTOR G. MAKRAS  
VICE PRESIDENT

FRANK L. COOK  
MARION E. OTSEA  
ROBERT K. WERSE

WATER DEPARTMENT

HETCH HETCHY  
WATER AND POWER

TO: Jenell Welling

DATE: 5/22/97

FM: Karen Kubick, UEB

RE: Recycled Water Master Plan Phase I Pre-Design Public  
Affairs Work

-----  
The following activities are to be supported through the  
Public Affairs portion of this contract:

- 1) Continuing general outreach to the public regarding  
public information.  
  
Public Meeting Coordination, minutes, tape, slides,  
materials: \$25,000
- 2) Bi-annual newsletter (Water Cycles)  
  
Two Issues (7000 copies):  
  
Writing: \$10,000  
Printing: \$30,000
- 3) Support during the negative declaration process for  
pipeline alignment (Not covered under Master Plan EIR)  
  
Public Information Materials \$5000  
Public Meeting Six Scoping Meetings  
Public Meeting Coordination, Meeting Room rental,  
minutes, tape, slides: \$15,000
- 4) Establish Stakeholders group and Joint Use Task  
Force(JUTF). The JUTF is a group established early to  
participate during the pre-design phase that includes  
the site owner, neighbors, Rec Park and other  
environmental or special interest groups as required.  
There will be two groups. During pre-design this group  
will meet monthly. The Stakeholders group will meet  
three times during the course of the project, this group  
will include a wider variety of individuals, including:  
League of Women Voters, Sierra Club, Surf Riders, Clean  
Water Action, ect.

Public Meeting Twelve Meetings



Public Meeting Coordination, minutes, tape, slides,  
informational/educational materials, Technical Advisory  
coordination: \$30,000

- 5) Work with the School PTA, Parents/Teachers and students  
as needed.

Establish contacts, field visits, presentations, safety  
issues \$15,000

- 6) Coordination with Future Recycled Water Users to ensure  
facilities are properly dual plumbed or a conversion  
plan has been developed. Determination of actual amount  
of water currently used.

Develop a survey, list of user contacts, send out,  
follow-up, track data, develop a schedule for all users.  
Public information to be developed on dual plumbing,  
permits and conversions. \$30,000

- 7) Development of a model to be used for communication to  
the public and also for plant operations. This model  
will detail the footprint, size, height ect. This may  
be physical or computer generated.

Design, Software, Hardware \$30,000

- 8) Support for slides, boards, or other public information  
that is needed for the PUC, Rec Park, Zoo, Fire  
Department or the General Public.

\$10,000

This is a big effort because these are BIG facilities. The  
Zoo construction will take 2 years. Lincoln HS reservoir  
will take one year but it will displace physical education  
classes, football and track for that period. The school will  
be in session when we are in the heat of construction. The  
Zoo has visitors everyday of the year and the recent  
construction on Sloat provided new condos which look directly  
into our construction site.

Nothing gets done without public support. The Not in My  
Backyard (NIMBY) syndrome is alive and well. All this  
requires public education and information.

If you have any more questions call me at 558-4026!



**PUBLIC UTILITIES COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO**

WILLIE L. BROWN, JR.  
MAYOR

ANSON B. MORAN  
GENERAL MANAGER

HETCH HETCHY  
WATER AND POWER

SAN FRANCISCO  
WATER DEPARTMENT

SAN FRANCISCO  
CLEAN WATER PROGRAM

**MEMORANDUM**

**TO:** Jenell Welling  
Budget Analyst, City of San Francisco

**FROM:** Karen Kubick, UEB *K3*  
Project Management Division

**SUBJECT:** Recycled Water Phase I Implementation

**DATE:** May 21, 1997

Implementation of the Recycled Water Master Plan will:

- Offset 10 million gallons a day of potable water for higher uses (drinking).
- Extend the Auxiliary Water Supply System (high pressure fire protection system to the westside of the City) where attached wood frame homes are vulnerable to fires.
- Ensure compliance with State and local regulations and guidelines.
- Establish consistency with the Department of the Environment Sustainable San Francisco recommendations.
- Provide high quality water for parks, schools, golf courses, while preserving our Hetch Hetchy supply.

If you have any other questions, please call me at 558-4026.

KSK:ec

Item 1e - File 101-96-80

**Department:** District Attorney's Office  
Juvenile Probation Department  
Department of Parking and Traffic  
Department of Human Resources

**Item:** Ordinance appropriating \$1,538,222 from the General Fund for Workers' Compensation and Professional Services to address projected budgetary shortfalls in the budgets of the District Attorney, Juvenile Probation, Parking and Traffic, and Human Resources Departments.

**Amount:** \$1,538,222

**Source of Funds:** General Fund Reserve

**Description:** The proposed supplemental appropriation ordinance would appropriate \$81,051 for the District Attorney, \$134,115 for the Juvenile Probation Department, \$482,500 for the Department of Parking and Traffic (DPT), and \$187,960 for the Department of Human Resources (DHR) to offset an overall projected budgetary shortfall of \$885,626 in the Workers' Compensation budget for these departments' FY 1996-97 budgets. The proposed supplemental appropriation ordinance would also appropriate \$652,596 to DHR for professional and specialized services. The total proposed supplemental appropriations is for \$1,538,222.

However, based on the analysis of the Budget Analyst, the projected budgetary shortfall for Workers' Compensation is \$1,759,466, or \$873,840 more than the \$885,626 shortfall previously projected by the departments. The Budget Analyst's projected budgetary shortfall for Workers' Compensation, based on the Controller's records, is as follows:

	FY 1996-97 Budgeted Amount	Actual Expenditures 7/1/96 to 2/28/97	Projected Expenditures 3/1/97 to 6/30/97	Total Projected Expenditures FY 1996-97	Estimated Surplus/ (Deficiency)
<u>Department</u>					
District Attorney	\$145,662	\$178,713	\$89,356	\$268,069	(\$122,407)
Juvenile Probation	361,450	525,530	262,765	788,295	(426,845)
Parking and Traffic	831,143	1,235,598	617,799	1,853,397	(1,022,254)
Human Resources	<u>103,375</u>	<u>186,720</u>	<u>104,615</u>	<u>291,335</u>	<u>(187,960)</u>
<b>Totals</b>	<b>\$1,441,630</b>	<b>\$2,126,561</b>	<b>\$1,074,535</b>	<b>\$3,201,096</b>	<b>(\$1,759,466)</b>

The projected expenditures are based on a straight-line projection using the Departments' expenditures during the first eight months of FY 1996-97. In the case of Human Resources, an adjustment in the projected expenditures was made to account for a Workers' Compensation refund made to the Department during FY 1996-97.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Although the Budget Analyst projects a significantly greater budgetary shortfall than the supplemental appropriation requested for each department, each department can either offset the projected budgetary shortfall or provide justification as to why the straight-line projections made by the Budget Analyst are not appropriate, according to Mr. Fred Howell, the Workers' Compensation Manager at DHR (see Comments Nos. 1-4).

In addition to the projected shortfall in Workers' Compensation expenditures, a second part of the DHR request is to fund contractual services in the amount of \$652,596 for Workers' Compensation medical bill review services and Workers' Compensation related medical services that are applicable to all City Departments. According to Mr. Howell, these professional services are provided by CorVel Corporation, a private firm, under a one-year \$1,300,000 Professional Services Contract with the City. Mr. Howell states that the services provided by CorVel Corporation are for the purposes of having the City pay the lowest possible rate for medical services for Workers' Compensation cases.

**Comments:**

1. According to Mr. Howell of DHR, CorVel Corporation was selected from a request for proposal process to perform bill review services and preferred provider re-pricing along with pre-certification, managed care and utilization review services. CorVel Corporation is not a MBE/WBE firm.

2. Mr. Howell reports that the one-year \$1,300,000 contract between CorVel Corporation and the City to provide the above-mentioned services was approved by the Civil Service Commission in July of 1996. According to Mr. Howell funds for the CorVel contract were not included in the DHR budget in Fiscal Year 1996-97 because it was anticipated that this cost would be allocated to the different City departments as part of the normal charge-back process as with other related workers' compensation costs. Moreover it was assumed that there would be sufficient savings in medical costs from the use of CorVel's services that the contract cost impact would be minimal. While some savings were realized, state-mandated increases in Workers' Compensation payments to employees more than offset these savings and the decision was made not to charge the CorVel contract costs to individual City Departments until Fiscal Year 1997-98. Mr. Howell reports that the DHR budget for Professional and Specialized Services has sufficient funding to absorb \$647,404 of the \$1,300,000 contract which allowed DHR to reduce the supplemental budget request to \$652,596. Mr. Howell indicates that for FY 1997-98, the Workers'

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Compensation budget allocations for all City departments contain projected amounts for CorVel Corporation services based upon current-year usage. The attached memorandum from the DHR provides additional details on the budget deficiency.

3. According to Ms. Teresa Serata of the District Attorney's Office, a straight-line projection is not appropriate to determine the final projected expenditures in Workers' Compensation for the District Attorney's Office for FY 1996-97 because there are several one-time medical expenses which should not be included in the projection. Consequently, the District Attorney's Office projects that the total Workers' Compensation expenditures for FY 1996-97 will be \$226,713 against a budget of \$145,662, leaving a budgetary shortfall of \$81,051 as requested.

4. According to Mr. Matthew Hymel of the Controller's Office, the Juvenile Probation Department will use \$292,730 in surplus budgeted funds from its FY 1996-97 budget to offset a portion of the estimated \$426,845 shortfall in its Workers' Compensation budget, leaving a budgetary shortfall of \$134,115 as requested.

5. According to Ms. Kathryn Hile of the Department of Parking and Traffic, DPT can cover \$539,754 of the \$1,022,254 projected budget shortfall in Workers' Compensation through salary savings resulting from unfilled positions, leaving a budgetary shortfall of \$482,500 as requested.

6. According to Mr. Howell, the DHR's projected budgetary shortfall in Workers' Compensation represent a combined request for 19 small City departments. These departments have a combined budget of \$103,375 for Workers' Compensation. The Budget Analyst and the DHR project that total Workers' Compensation expenditures for FY 1996-97 for these 19 departments will be \$291,335 which results in a budgetary shortfall of \$187,960 as requested.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.



City and County of San Francisco



Department of Human Resources

ANDREA R. GOURDINE  
HUMAN RESOURCES DIRECTOR

## MEMORANDUM

Date: May 23, 1997

To: Harvey M. Rose, Budget Analyst  
Board of Supervisors

Through: Andrea R. Gourdine *Andrea R. Gourdine*  
Human Resources Director

From: Fred Howell *Fred Howell*  
Workers' Compensation Manager

**SUBJECT: SUPPLEMENTAL APPROPRIATION REQUEST**

This memorandum is to provide additional information in connection with the subject request for workers' compensation funds (File No. 101-96-80).

Funds for the CorVel Corporation contract were not included in the DHR budget for Fiscal Year 1996-97 because it was anticipated that this cost would be allocated to the different City departments as part of the normal charge-back process as with other related workers' compensation costs. Moreover, it was assumed that there would be sufficient savings in medical costs from the use of CorVel services that the contract cost impact would be minimal. This did not turn out to be the case.

DHR records indicate that the City's total expenditures for workers' compensation medical costs are projected to increase by approximately six percent in 1996-97 over the 1995-96 level while indemnity payments to employees for lost earnings are largely responsible for the current budget shortfall. Current projections show that temporary disability indemnity increases by an overall average of 12.24 percent and permanent disability by 8 percent compared to 1995-96 levels. These increases are consequent to an overall 45.6 percent increase since July 1, 1994, in the temporary disability rate mandated in the State Labor Code.

Supplemental Appropriation Request  
May 23, 1997  
Page 2

In short, funds for the CorVel contract were not budgeted and the assumptions underlying that decision did not hold. A lower increase in medical costs was offset by State-mandated increases in indemnity costs which, combined, eliminated the savings that were counted on to cover the CorVel contract. DHR subsequently elected not to allocate the current year CorVel's medical bill review charges to individual claim files, but to fund the \$1.3 million CorVel contract directly from the DHR administrative budget. Also, there were practical difficulties in implementing the proposed 1996-97 allocation of bill review costs to individual claim files in the current year.

The use of other funds in the professional and specialized services budget helped to reduce the size of the requested supplemental appropriation to a total of \$652,596 rather than the full contract amount of \$1.3 million.



Item 1f - File 172-97-27

**Department:** Public Transportation Department (PTD)

**Item:** Resolution approving the award of San Francisco Municipal Railway contract Proposal No. 888 for procurement of articulated and standard trolley coaches to Electric Transit Incorporated, in an amount not to exceed \$168,752,888.

**Contract Amount:** Not to exceed \$168,752,888.

**Source of Funds:** A combination of Federal, State and regional grant funds and local transportation funds (see Comment No. 1).

**Description:** The 1995 Capital Improvement Plan of the Public Transportation Department (PTD) calls for the replacement of the Municipal Railway's (MUNI) aging fleet of trolley coaches. Currently, 285 of MUNI's 350 trolley coaches exceed the economic useful life of 18 years as determined by the Federal Transit Administration (FTA).

Pursuant to authorization from the Public Transportation Commission (Resolution No. 96-025), in April of 1996 MUNI issued a Request for Proposals (RFP) to procure 30 articulated and 220 standard trolley coaches. Mr. Kambiz Shadan of the PTD advises that the RFP solicited proposals utilizing various types of propulsion systems, so individual bidders submitted more than one bid. Mr. Shadan states that the PTD received four proposals from Electric Transit Incorporated, and selected three for further evaluation. Mr. Shadan reports that the PTD also received six proposals from Breda Construzioni Ferroviarie S.p.A. (Breda), and selected three for further evaluation.

Mr. Shadan states that a PTD Evaluation Committee negotiated with the two companies, Electric Transit, Inc. and Breda, visited their production plants, and met with other transit agencies in the United States that have purchased trolleys from each of these two companies. The proposals were rated by separate committees on technical quality and price. Mr. Shadan reports that Proposal No. 10 from Electric Transit, Inc. was selected based on its combined score for technical quality and price. The proposed resolution would approve an award of the subject contract for procurement of articulated and standard trolley coaches from Electric Transit, Inc.

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The proposed contract costs are summarized as follows:

<u>Item</u>	<u>Cost</u>
Purchase of 30 articulated trolley coaches @ \$812,750 each	\$24,382,500
Purchase of 220 standard trolley coaches @ \$556,536 each	122,437,920
Management, Engineering, Tooling and Testing	13,980,717
Spare Parts	4,724,484
Training	1,096,670
Manuals	1,366,597
Test Equipment	<u>764,000</u>
Total Contract Cost (not to exceed)	\$168,752,888

Mr. Shadan reports that the total estimated project cost, including the subject procurement contract, is \$207,600,000. A summary of the project costs is provided as follows:

<u>Project Expenditure Category</u>	<u>Estimated Cost</u>
Electric Transit, Inc. Contract	\$168,752,888
Sales Tax	13,639,539
PTD Management and Support Staff	5,397,802
PTD Non-Labor (equipment and travel)	4,627,158
Facility Modifications	1,000,000
Contingency (4.9 percent of project cost)	10,195,635
Consultants (design review, inspections, testing)	<u>3,986,978</u>
Total Estimated Project Cost	\$207,600,000

The proposed resolution would approve only the contract with Electric Transit, Inc. The other project costs listed above, including PTD staff, equipment and travel costs, facility modifications, contingency and consultants, would be subject to Board of Supervisors approval as part of the grant approval process. Note that the Sales Tax figure shown above is based on applying 8.5 percent to those items of the proposed contract for which Sales Tax would be due.

**Comments:**

1. The sources of funding for the estimated \$207,600,000 in project expenditures related to the procurement of 30 articulated trolley coaches and 220 standard trolley

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coaches, including the proposed contract with Electric Transit, Inc., as provided by the PTD, are summarized below:

<u>Source of Funding</u>	<u>Amount</u>
Federal Transit Administration (FTA) Section 3 Grant Funds	\$37,747,048
FTA Section 9 Grant Funds	109,989,706
Federal Highway Administration (FHWA) Surface Transportation Program Funds	4,800,000
State Rail Bonds	1,146,219
State Surface Transportation Program	14,261,000
State Transit Capital Improvement Funds	10,887,389
State Petroleum Violation Escrow Account	400,000
Bridge Tolls, AB 664	8,804,263
SF Municipal Railway Improvement Corporation	1,000,000
Transit Impact Development Fee	2,139,176
Transportation Authority Sales Tax Revenues	<u>16,427,996</u>
Total Sources of Funding	\$207,602,797

\*The total amount is \$2,797 over the estimated project expenditures due to rounding of estimated project expenditures.

2. The proposed contract states that the contract may be terminated if insufficient funds are appropriated during the course of the contract period, and that the contractor's assumption of risk of possible non-appropriation is part of the agreement. Payments are to be made to Electric Transit Inc. as work proceeds, in accordance with specific provisions for progress payments contained in the proposed contract.

3. Mr. Shadan states that, although the sources of funding listed above will cover the estimated cost of the proposed procurement, the PTD anticipates a possible temporary shortfall in funds in the years 2000 to 2002, due to the anticipated timing of appropriation of Federal funds and the competing requirements of other light rail vehicle (LRV) and motor coach procurement projects being undertaken by the PTD concurrently with the procurement of the subject trolley vehicles.

According to Ms. Gail Bloom of the PTD, staff is currently investigating various options for short-term financing to cover project costs during this two-year period, including borrowing from the San Francisco Transportation Authority or utilizing internal short-term borrowing (borrowing from available City funds, with the approval of the Controller). Ms. Bloom advises that, because of the short-term nature of the shortfall in funds, PTD finance staff believe that such financing options would avoid expensive borrowing costs and delays that would result

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from going through a normal public borrowing process. Such internal short-term financing utilizing available City funds would be subject to approval by the Board of Supervisors.

4. The proposed contract includes an option to purchase (a) 15 articulated trolley coaches in addition to the 30 being procured under the basic contract and/or (b) 25 standard trolley coaches in addition to the 220 being procured under the basic contract. Mr. Shadan states that the PTD would be required to obtain Board of Supervisors approval prior to exercising these options.

5. Mr. Edwin Lee, Director of Purchasing, states in an April 4, 1997 letter to the PTD that the Purchasing Department concurs with the PTD Evaluation Committee's award recommendation. Mr. Lee states that his office has reviewed the approval recommendation prepared by the Contract Compliance Office of the PTD. According to Mr. Lee, the Federal Transit Administration (FTA) imposes a nationwide Disadvantaged Business Enterprise (DBE) program on localities. However, Mr. Lee states that all MBE/WBE firms certified by the City's Human Rights Commission will be eligible to participate in the Federal DBE program. In particular, Mr. Lee states that local MBE/WBE firms are expected to be used by Electric Transit, Inc. to fulfill DBE requirements associated with all aspects of the construction and operation of the local production plant to be operated by Electric Transit, Inc. (See Comment No. 7.

6. Mr. Shadan states that Electric Transit, Inc. is not an MBE or a WBE firm. Ms. Robin Reitzes of the City Attorney's Office states that the manufacturing portion of the subject contract is subject to Federal requirements related to Disadvantaged Business Enterprises (DBEs), and is not subject to local MBE/WBE regulations. Ms. Reitzes advises that, for this reason, Electric Transit, Inc. will be monitored directly by the Federal Transit Administration (FTA) for compliance with the Federal DBE requirements.

7. The proposed contract states that Electric Transit, Inc. will locate its final assembly plant in San Francisco. Electric Transit Inc. has also agreed to provide local work programs and comply with the Equal Benefits Ordinance.

8. Electric Transit, Inc. was formed in 1993 by Skoda, a Czech Republic Company, and AAI Corporation, a U.S. defense contractor based in Maryland.

9. Mr. Shadan states that the City of Dayton, Ohio has purchased standard trolley coaches (but not articulated trolley coaches) from Electric Transit, Inc. According to Mr. Shadan, no other cities in the United States have purchased any trolley coaches from Electric Transit, Inc. However, Mr. Shadan advises that Skoda, the parent of Electric Transit, Inc., has sold many trolley coaches in Eastern Europe, including over 10,000 standard and articulated trolley coaches. Mr. Shadan states that the PTD has checked the references of Electric Transit, Inc. and is satisfied that the company can meet its contractual obligations to manufacture the subject standard and articulated trolley coaches.

**Recommendation:** Approve the proposed resolution.



Items 1g and 1h- Files 168-97-1 and 271-97-4

**Department:** Recreation and Park Department (RPD)

**Items:** File 168-97-1: Resolution concurring with the recommendations on the Park and Open Space Fund for FY 1997-98, with the reservation that the Board of Supervisors may approve or disapprove any specific acquisitions for which funding might be provided in the FY 1997-98 Open Space budget, at such time as the acquisitions are presented to the Board of Supervisors for approval.

File 271-97-4: Resolution approving amendments to the San Francisco General Plan and adopting findings pursuant to the California Environmental Quality Act (CEQA) in order to approve the acquisition by the City and County of San Francisco of property known as the Edgehill Mountain Open Space Extension for enlargement of public open space, and the acquisition of property known as Esprit Park for establishment of a new public park.

**Description:** File 168-97-1: The Park and Open Space Program, supported by the Park and Open Space Fund, was first established by the voters under Proposition J in 1973, under the provisions of Section 6.413 of the City's Charter (now Section 16.107 of the new Charter). Section 6.413 (now Section 16.107) imposed an annual Property Tax of 2.5 cents per hundred dollars of assessed property valuation, to be set aside for the Park and Open Space Fund for a period of 15 years. FY 1989-90 constituted the 15th and last year of this program, which began in 1974. However, in November of 1988, San Francisco voters approved Proposition E, which extended the Open Space Acquisition and Park Renovation Fund an additional 15 years, from July 1, 1990 through June 30, 2005.

According to Section 16.107 of the new Charter, not more than 40 percent of the Fund in any year can be used for maintenance of properties previously acquired under Proposition J (the first 15 years of the Open Space Fund. The remaining money (60 percent of the total Park and Open Space Fund) in the Fund must be allocated as follows: (1) at least 40 percent for acquiring and developing property; (2) at least 15 percent for renovation; (3) not more than 25 percent for maintaining property and recreational facilities acquired under Proposition E (i.e., after FY 1990-91) for programs other than the After-School Recreation programs, and for administration; and (4) 20 percent for After School Recreation programs.

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The Park and Open Space Program is administered by the Recreation and Park Department (RPD), with input from the Park and Open Space Citizens Advisory Committee. The General Manager of the RPD prepared an expenditure plan for annual allocation of the Open Space Fund on the basis of recommendations from the Park and Open Space Citizens Advisory Committee. The General Manager's Report containing this expenditure plan is then submitted to the Recreation and Park Commission and the City Planning Commission.

Under the proposed resolution (File 168-97-1) the Board of Supervisors would concur with the May 1, 1997 joint recommendations of the Recreation and Park Commission and the City Planning Commission to adopt the expenditure plan contained in the report of the General Manager of the RPD. However, the Board of Supervisors would reserve the right to approve or disapprove any specific acquisitions for which funding might be provided in the FY 1997-98 Open Space budget.

The RPD's proposed FY 1997-98 budget of \$15,700,000 plus \$1,295,343 in reprogrammed funds from prior years, for a total of \$16,995,343, includes the following expenditures from the Open Space Fund:

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Memo to Finance Committee  
May 28, 1997 Meeting of Finance Committee

		Percent of \$15,700,000 Fund	Percent of \$9,620,000 Balance of Fund Not Allocated to Maintenance of Properties Acquired Under Proposition J	Reprogrammed Funds from Previous Years	Total Funds Available FY 1997-98
Total Park and Open Space Fund	<u>Amount</u> \$15,700,000	100.0%			
Maintenance of Properties Previously Acquired and Developed Under Proposition J	<u>6,080,000</u>	<u>38.7</u>		0	<u>\$6,080,000</u>
Balance of Fund (Allocated Below)	<u>\$9,620,000</u>	<u>61.3%</u>			
Acquisition and Development	3,848,000	24.5	40.0%	\$987,000	4,835,000
Renovation	2,585,000	16.5	26.9	308,343	2,893,343
Administration and Maintenance of Properties Acquired Under Proposition E	1,263,000	8.0	13.1	0	1,263,000
After School Program	<u>1,924,000</u>	<u>12.3</u>	<u>20.0</u>	<u>0</u>	<u>1,924,000</u>
Total Balance of Fund	\$9,620,000	61.3%	100.0%	\$1,295,343	<u>\$10,915,343</u>

As shown in the Table above and noted earlier, including the requested FY 1997-98 budget of \$15,700,000 and the reprogrammed funds of prior years of \$1,295,343, the total available funds for the FY 1997-98 Open Space Fund would be \$16,995,343 (\$6,080,000 plus \$10,915,343).

File 271-97-4: This companion resolution to File 168-97-1 would approve General Plan amendments and adopt CEQA findings related to two sites that would receive a total of \$350,000 in funding from the FY 1997-98 Park and Open Space Fund in the category of acquisitions. Mr. Ernie Prindle of the RPD states that these are the only two acquisitions in the FY 1997-98 Park and Open Space Fund recommendations for which a General Plan amendment is currently required.

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One of the subject sites consists of approximately six lots on a sloping hillside located on Edgehill Mountain in the Portola District, adjacent to an existing 1.08 square foot public open space known as Edgehill Mountain Open Space. The site is located southwest of an area of Edgehill Mountain where a landslide occurred during the rainstorms of January 1997. (See File 28-97-1.2.) The proposed FY 1997-98 Open Space Program would provide \$50,000 to be used as seed money to leverage community fund-raising efforts for acquisition of the subject site to expand the Edgehill Mountain Open Space.

The other subject site is Esprit Park, located on Minnesota Street between 19th and 20th Streets, at the foot of the east side of Potrero Hill. Esprit Park is currently privately owned by the Esprit de Corp company, which has identified the park as a surplus asset. The proposed FY 1997-98 Open Space Program would provide \$300,000 to be used as seed money to leverage community fund-raising efforts for acquisition of Esprit Park.

The proposed amendments to the General Plan would designate the Edgehill Mountain site and Esprit Park as "Proposed Public Open Space, Acquire For or Convert to Public Open Space." The resolution (File 271-97-4) would also concur with the Planning Department's determination that the proposals are exempt from environmental review pursuant to CEQA. The Planning Commission adopted the proposed amendments and CEQA findings at its meeting of May 1, 1997.

**Comments:**

1. Based on information outlined in the \$15,700,000 spending plan for the total Program Budget, excluding reprogrammed funds, the percentage of the Fund proceeds to be expended for each category of expenditures is in conformance with the requirements of Charter Section 16.107.

2. The proposed Park and Open Space Fund recommendations would reprogram a total of \$1,295,343 from projects funded in previous years. The reprogramming of funds is summarized as follows:

(1) Surplus funds of \$887,000 originally allocated for the South of Market Park acquisition and development project, to be reallocated to high priority acquisition and development projects. The General Manager's Report states

that the South of Market Park project had \$887,000 in surplus funds over the amount needed for the acquisition and development of the park on the Bessie Carmichael School site.

(2) Surplus funds of \$100,000 originally allocated for the Visitacion Valley Gym project, to be reallocated to the acquisition and development of parcels under the jurisdiction of the Water Department known as the Reis Tract, located in Visitacion Valley. Mr. Ernie Prindle of the RPD states that the Visitacion Valley Gym project is no longer necessary because the RPD has gained access to a gym in the Visitacion Valley neighborhood owned by the San Francisco Unified School District (SFUSD).

(3) Surplus funds of \$34,511 originally allocated for the Bayview Restroom and Playground projects, to be reallocated to augment funds for renovation of King Pool.

(4) Surplus funds of \$20,000 originally allocated for resurfacing of the Glen Park Courts, and surplus funds of \$16,770 originally allocated for renovation of the West Sunset Playground, to be reallocated to augment funds for court resurfacing, according to a priority list contained in the RPD General Manager's Report.

(5) Surplus funds originally allocated for renovation of the following completed projects: Excelsior Clubhouse (\$18,253), Golden Gate Park Bandshell (\$5,000), Potrero Hill (\$6), Stern Grove Benches (\$1,362) and various facilities rehabilitations (\$12,441), all to be reallocated to renovation of the Visitacion Valley Clubhouse. In addition, \$200,000 originally allocated for renovation of the restroom and bleachers at Silver Terrace would be reallocated to renovation of the Visitacion Valley Clubhouse. The General Manager's Report states that the Silver Terrace project is on hold, pending determination of its necessity and feasibility.

3. The proposed resolution provides that the Board of Supervisors concurs with the joint recommendations of the Recreation and Park Commission and the City Planning Commission concerning proposed FY 1997-98 Open Space expenditures, with the reservation that the Board of Supervisors may approve or disapprove any specific acquisitions for which funding might be provided in the FY 1997-98 Open Space budget.

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4. The proposed budget for Renovation includes funds for three new staff positions to manage an in-house capital improvement program: a 5218 Structural Engineer, a 5268 Architect and an 1823 Senior Administrative Analyst. Mr. Prindle states that the purpose of the three positions is to expedite the use of renovation funds through internal management of small projects. In addition, the proposed budget for Acquisition and Development includes one new staff position, a 1366 Staff Assistant VII. Mr. Prindle advises that this position would be used as a volunteer coordinator for the Natural Areas Implementation project, which involves protection and preservation of park lands that have significant natural resources. The annual cost of the proposed new positions at the top salary step, using anticipated FY 1997-98 salary rates, is as follows:

<u>Position</u>	<u>Bi-Weekly Salary Range</u>	<u>Annual Salary (Top Step)</u>
5218 Structural Engineer	\$2,691 - \$3,271	\$85,373
5268 Architect	\$2,441 - \$2,967	77,439
1823 Sr. Administrative Analyst	\$1,980 - \$2,408	62,849
1366 Staff Assistant VII	\$1,501 - \$1,818	<u>47,450</u>
Total Annual Cost		\$273,111

Mr. Prindle reports that these positions will be included in the proposed FY 1997-98 budget for the RPD, and will be subject to Board of Supervisors approval during the budget process. The Budget Analyst will evaluate the proposed positions during the FY 1997-98 budget review.

**Recommendation:** Approval of the proposed resolutions is a policy decision for the Board of Supervisors.

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Item 1i - File 96-97-3

- Department:** Water Department  
Real Estate Department
- Item:** Resolution authorizing the sale to the State of California of a 3,014 square feet parcel of surplus, vacant land owned by the Water Department. The property is located in Sunol, Alameda County.
- Description:** The City, through the Water Department, which is under the jurisdiction of the Public Utilities Commission (PUC), owns a 3,014 square foot parcel of vacant land in the unincorporated portion of Alameda County. This property is near Sunol on Highway 84, adjacent to the Alameda Creek Bridge. Currently, this Water Department property is part of undeveloped watershed land, previously owned by the Spring Valley Water Company.
- In 1947, the City sold land to the State of California for the Alameda Creek Bridge, together with a channel easement for bank stabilization. The proposed parcel of land to be sold to the State lies within this channel easement area. The State of California has requested to purchase this 3,014 square feet of property from the City in order to realign and retrofit the Alameda Creek Bridge on Highway 84. The purchase price, as determined by the Department of Real Estate for the subject property, is \$2,500.
- Comments:**
1. On October 8, 1996, the PUC approved a resolution (Resolution No. 96-0227) determining that this 3,014 square foot parcel was surplus to the Water Department's needs.
  2. The Real Estate Department reports that the proposed parcel of land has a nominal value of \$2,500, which is the Real Estate Department's minimum administrative fee for processing the necessary documents. Therefore, according to the Real Estate Department, \$2,500 represents the fair market value to the City. According to the Real Estate Department, the reason why this 3,014 square foot parcel of vacant land does not have any value beyond the \$2,500 nominal value is because the parcel is located in a creek bed, which is also encumbered with an existing channel easement, adjacent to the Alameda Creek Bridge.

3. If the proposed legislation is approved, the Real Estate Department reports that the closing on this property would be approximately July 1, 1997.

4. According to Mr. Gary Dowd of the PUC, the \$2,500 proceeds from the sale of this property would accrue to the Water Department's unappropriated revenues.

5. The proposed resolution also states that the City shall indemnify and hold harmless the State of California from any and all claims regarding the title to the proposed property, provided that such indemnification does not exceed the \$2,500 purchase price of the property. Mr. Michael Cohen of the City Attorney's Office reports that although the City does not generally indemnify purchasers of property from the City, given that the State of California requested this indemnification provision and the relatively small amount of potential exposure for the City (\$2,500), this provision was included in the proposed resolution.

**Recommendation:** Approve the proposed resolution.

Item 2 - File 190-97-5

**Item:** Hearing to consider all available traffic control options for addressing the red light epidemic in San Francisco, including, without limitation, the feasibility of altering signal intervals, using "all red" timing, installing mid-block red light signals, installing mid-block flashing red light warning signals, using emerging technologies, and any other option that might reduce red light running and the deadly accidents they cause.

**Comments:** The attached memo, prepared by the Department of Parking and Traffic (DPT), outlines new measures that could be taken to address the City's red light running problem. Mr. Bill Maher, Executive Director of the DPT, states in the memo that the most significant step that the DPT could take at this time would be to implement an expanded program of red light photo enforcement. The memo states that DPT is developing a Request for Proposals (RFP) to expand the present four intersections that currently have red light photo enforcement by adding 20 additional intersections to the program. Mr. Maher states that the budget for this RFP is intended to be covered by an anticipated \$80 increase in red light running citation fines that is currently pending before the State legislature (AB1191).

Mr. Maher further states that the continued management of the Red Light Camera Enforcement Program by the DPT will require a full time Associate Traffic Engineer and a one-quarter time Traffic Engineer, at an estimated annual cost of \$151,300. Mr. Jack Fleck of the DPT advises that these positions are not included in DPT's proposed FY 1997-98 budget. Mr. Fleck states that, if AB1191 is approved, he anticipates that fine revenue would cover the costs of these positions. However, Mr. Fleck advises that such fine revenue is not expected to be available during FY 1997-98, so General Fund or other available City funds would be needed to enable the DPT to staff these positions.

The DPT memo includes further discussion of additional measures to reduce red light running.



Traffic Engineering Division  
City and County of San Francisco

WILLIE LEWIS BROWN, JR., MAYOR  
BILL MAHER, EXECUTIVE DIRECTOR



## MEMORANDUM

**Date:** May 23, 1997

**To:** Board of Supervisors  
Attn: Mr. John L. Taylor  
Clerk of the Board

**From:** Bill Maher *mmj*  
*for* Executive Director

**Subject:** Red Light Running Program

This responds to Supervisor Leal's inquiry into how our Department can assist in addressing the City's red light running problem. We feel that the most significant step we can take at this time is to implement an expanded program of red light photo enforcement. The costs of such a program are discussed in Section I--Additional Red Light Cameras--below. This memo also addresses a number of measures that our Department uses or that have been proposed by interested members of the public to reduce red light running. These measures are discussed in Section II--Other Engineering Measures to Reduce Red Light Running.

In addition to the measures specifically addressed in this memo, we strongly support traditional methods of enforcement by the Police, i.e. citing drivers on the street. We also support educational efforts such as that of the Public Health Department's Red Light Awareness Program and the efforts of the Police and other agencies such as Traffic Schools and the DMV to promote awareness of this problem.

### I. Additional Red Light Cameras

Our Department has served as the lead agency in San Francisco's Pilot Red Light Camera Enforcement Program since it was originally funded by the Transportation Authority in 1995. This program has tested photo enforcement technology from two vendors since cameras began operation in October of 1996. A fact sheet about the pilot program is attached.

We feel that the pilot program has successfully shown that photo enforcement is effective as an

enforcement tool. Public support for the program has been strong. The Police have played an active role in setting guidelines for the issuance of citations and for taking responsibility for the final approval of all citations. The courts have also stood behind the legislation and the technology by convicting those who appeal without substantive grounds.

One of the goals of the pilot program was to determine more precisely what the revenues and costs of running a red light enforcement program would be. We have learned that there are substantial costs for project management (DPT), Police review of all citations plus Police appearances in court, Municipal Court processing costs for appeals and court appearances, and City Attorney costs for processing the contract and answering many legal questions about the citation forms, procedures for issuing citations, and (along with the District Attorney) defending cases in Municipal Court.

We are now in the process of developing a Request for Proposals to send to qualified vendors to expand the present four intersections by adding 20 intersections with red light cameras by December. The budget for this RFP is intended to be covered by the increase in fines which are anticipated by the passage of the Shelley Bill (AB1191). This bill will provide an additional \$80 for each paid red light running citation.

We anticipate that the continued management of this program by DPT will require a full time Associate Traffic Engineer and 1/4 time by a Traffic Engineer. This job entails selection of sites, preliminary engineering of loop detectors and camera placement (in cooperation with a vendor), placement of signs at all major entrances to the City, monitoring of statistics on a monthly basis to determine the effectiveness of the program, answering inquiries from the public and other interested public agencies, and working to coordinate the efforts of the Court, the Police, the Vendor, DPT, and all agencies involved in this program. We would also like to see the program ultimately expanded to include 50 to 100 intersections. This would also be the responsibility of the project management team.

Most costs to the City--i.e. Police, Court, and District Attorney--would be incurred once the program is in operation and revenues are flowing in. However, DPT will experience immediate costs to launch the program. Therefore, we are asking for immediate funding of this new Associate Traffic Engineer position, as well as funding for 1/4 time of an existing Traffic Engineer position.

Annual Salary for an Associate Traffic Engineer:	\$65,000
1/4-time Supervision by a Traffic Engineer:	<u>\$20,000</u>
	\$85,000 x 1.78 overhead = \$151,300

If the program begins issuing tickets as early as January of 1998 (the earliest the Shelley Bill could go into effect), revenues to offset these expenses should be flowing into the General Fund by February or March of 1998.



## II. Additional Measures to Reduce Red Light Running

### All-Red Signal Timing

Our policy regarding all-red intervals (i.e. a brief interval in which red is displayed in all directions) is to use them where an intersection is very wide or where the accident pattern indicates a high number of right angle accidents. We do not recommend implementing them at all signalized intersections since we feel that drivers may grow accustomed to the additional time. This could create a pattern where "scofflaws", knowing that the all-red interval follows the yellow would take advantage of the extra time at every signal. In addition, universal application of all-red phases would decrease signal efficiency with resultant increase in delay, air pollution, and energy consumption without the benefit of increased safety.

We recently completed a report evaluating the effectiveness of all-red signal intervals in San Francisco. A copy is attached. Approximately 10% of the intersections in San Francisco currently have all-red intervals. This report and previous studies support our existing policy to install all-red intervals only at intersections where there is a high incidence of right-angle accidents. We continue to recommend that all-red phases be added after careful evaluation of intersection accident types and patterns.

Each year Traffic Engineering analyzes high accident intersections to see if any additional intersections warrant all-red intervals. Normally we add all-red intervals to several intersections per year as a result of that analysis.

### Improving Signal Visibility

The addition of mast arms which suspend a traffic signal closer to the middle of the street is intended to improve signal visibility. We feel this can improve compliance with red light regulations and reduce accidents. We have recently completed installing mast arms along Valencia Street and are currently beginning to install them on South of Market streets, such as Bryant, Harrison, Folsom, and Howard Streets, where a majority of the City's high accident intersections are located. We believe that this type of signal treatment is an important adjunct to addressing the red light running problem. We are currently using Sales Tax funds to pay for these signal improvements. These improvements cost about \$100,000 per location.

### Mid-Block Signals

We do not believe that adding mid-block signals would be an effective way to address the City's red light running problem. Unwarranted signals might exacerbate compliance problems to the extent that it would create an additional place where red light running would occur. This would be especially true if the mid-block signals were placed in locations where it is difficult to sequence adjacent signals for good progression of vehicles. In addition, these kind of signal installations are expensive (about \$120,000 each) and would thus divert resources that could be spent to combat the red light running problem more directly.

### Flashing Warning Devices

We do not recommend installation of flashing red beacons as a way to prevent red light running.

A flashing red indication requires vehicles to come to a complete stop (equivalent to a mid-block STOP sign between two signals) and thus could actually increase accident totals if not placed in a proper location. Flashing yellow signal beacons would also not be an effective way to increase compliance with traffic signals given that the problem is that people are not obeying yellow and red signal indications. While these types of signals may garnish attention when first installed, in time, they can blend into the urban landscape, where there is much competition for motorists' attention. These types of signal installations cost on the order of \$25,000 to \$40,000.

### Extending Yellow Signal Intervals

The City follows State guidelines on the timing of yellow signals. The length of a yellow signal interval depends on the approach speed of vehicles. For typical street speed limits of 25 and 30 mph, a yellow duration of 3 seconds is recommended. We do not recommend deviating from these accepted statewide standards. Longer yellow lights than these could lead to speeding from motorists who use the additional yellow time to try to run or beat the red light. And a deviation from standard practice would open the City to serious liabilities.

### III. Recommendations

We feel that the problem of red light running can be dramatically reduced by a combination of enforcement, education, and engineering measures. Traditional police enforcement and continuing education efforts are very important. Existing engineering efforts such as installation of mast arms and the judicious use of all-red intervals where accident statistics indicate they are warranted are also valuable. Continuous monitoring of accidents and analysis of accident reports and accident data with measures such as signal timing changes are also part of our on-going effort.

The most important new measure to reduce red light running is the use of red light photo enforcement. The expansion of the pilot program by an RFP to include 20 additional intersections should have a major impact on red light running in San Francisco. Funding for the expanded program will come from increased fines as provided in the Shelley Bill, but start up funding of an Associate Traffic Engineer and 1/4 time for a Traffic Engineer to launch the program is essential.

Attachments: Evaluation of All-Red Phase in Reduction of Collisions  
Red Light Cameras Fact Sheet, April 17, 1997  
Yellow Change Intervals, Caltrans Standards

cc The Hon. Susan Leal, Member, Board of Supervisors  
The Hon. Barbara Kaufmann, Member, Board of Supervisors  
The Hon. Amos Brown, Member, Board of Supervisors  
Budget Analyst, Attention Eve Sternberg  
Captain Roy Sullivan, SFPD Traffic Bureau

TF/JF:tfjf



Traffic Engineering Division  
City and County of San Francisco

WILLIE LEWIS BROWN, JR., MAYOR  
BILL MAHER, EXECUTIVE DIRECTOR



## RED LIGHT CAMERAS FACT SHEET

April 17, 1997

**Accident/Enforcement Statistics**—Red light violations cause approximately 1,000 reported accidents annually in San Francisco—9% of all accidents and 17% of all injury accidents. These accidents cost the local economy an estimated \$21 million (based on the Urban Institute's estimate of \$21,000 per non-fatal accident). Considering unreported accidents and fatalities, the actual cost is much higher.

The San Francisco Police Department issues more than 15,000 citations annually for running red lights. Given 1,000+ signals in San Francisco and using a low estimate of 10 violations per signalized intersection per day, we estimate that there are more than 3.5 million red light violations annually in San Francisco.

**State Law**—Senate Bill 833 went into effect in January of 1996. It amended the California Vehicle Code to allow "automated enforcement" of red light violations. The law requires identification of the driver since it calls for a moving violation that goes against a driver's record. Notices to appear must be mailed within 15 days of the date of the violation. Failure to respond to the mailed notice to appear results in registered owners being unable to renew their drivers' licenses or vehicle registrations.

### **San Francisco's One Year Pilot Program**—

**Funding**—The San Francisco Transportation Authority authorized \$250,000 from sales taxes to install red light cameras in a pilot project. Vendors receive \$30,000 per intersection to cover installation of loops and conduits and \$17.50 per paid citation to cover film developing and citation processing costs. (\$17.50 is the portion of the \$104 fine that goes to the San Francisco General Fund.)

**Vendors**—Two vendors have participated in the pilot project. They are:

EDS—Contact: Barbara Miller, 415-495-4433

US Public Technologies—Contact: John Murray, 213-939-5512

**Status**—Four intersections have had cameras operating—5th & Howard Streets, 7th & Mission Streets, 19th & Holloway Avenues, and 19th Avenue & Sloat Boulevard. San Francisco Police started issuing citations in October, 1996 based on the photographed violations. As of March 31, over 2500 citations had been sent out.

**Next Step**—San Francisco plans to add two more intersections to the pilot program in the near future. In addition San Francisco is now actively developing a Request for Proposal that would expand the number of intersections to at least 20 upon completion of the pilot program. One key to expanding the program is the successful passage of AB1191, the Shelley Bill, which would increase fines for red light running and earmark \$80 of each fine for enforcement efforts.

For more information contact Jack Fleck—415-554-2344, Susan Law 415-284-1544



WILLIE LEWIS BROWN, JR., MAYOR  
BILL MAHER, EXECUTIVE DIRECTOR

City and County of San Francisco



## 9-44.0 Yellow Change Intervals

The purpose of the yellow signal indication is to warn traffic approaching the signal that the related green movement is ending or that a red indication will be exhibited immediately thereafter and traffic will be required to stop when the red signal is exhibited.

The length of the yellow change interval is dependent upon the speed of approaching traffic. Suggested yellow intervals are shown below:

<i>Approach Speed</i> (mph)	<i>Yellow Interval</i> (seconds)
35 or less .....	3.0
40.....	3.5
45.....	4.0
50.....	4.5
55.....	5.0
60.....	5.5

Source: State Department of Transportation Caltrans, Traffic Manual





Item 3 - File 101-96-67

**Department:** Commission on the Aging (COA)  
Department of Human Services

**Item:** Ordinance appropriating \$75,000 in General Fund Reserve monies to fund professional services to the Commission on the Aging.

**Amount:** \$75,000

**Source of Funds:** General Fund Reserve

**Description:** This proposed supplemental appropriation ordinance would appropriate \$75,000 to the Commission on the Aging (COA) to fund professional services to provide citizenship education programs to senior citizens who are at risk of losing Supplemental Security Income (SSI) benefits as a result of Federal Welfare Reform. As of August 22, 1997 all immigrants who are legal permanent U.S. residents and receive SSI benefits will lose their SSI benefits unless they can provide documentation of having worked for 40 quarters or more in the U.S. or become U.S. citizens. The COA proposes to use the subject \$75,000 to contract with four non-profit organizations to provide citizenship education to those senior citizens who are likely to lose SSI benefits.

According to Mr. John Young, Project Manager of Citizenship Services of the Department of Human Services, in December 1996, the City applied to the Emma Lazarus Fund of the Soros Foundation, a non-profit, private foundation to fund a citizenship project called the Citywide Naturalization Project. The objective of the Project is to assist elderly and disabled immigrants, who are at risk of losing Federal benefits, to become U.S. citizens. Mr. Young advises that the Lazarus Fund has agreed to provide \$780,000 to fund this Project which has already begun providing citizenship services. According to Mr. Young, it was anticipated that the grant monies would be awarded in April. However, Mr. Young now expects that the monies will be awarded in late June. Mr. Young advises that an early start to the Citywide Naturalization Project was essential because of the anticipated August 1997 SSI benefits cut-off date and that there is a six- to nine-month backlog in processing of citizenship applications by the Immigration and Naturalization Service.

The proposed supplemental appropriation ordinance would provide General Fund monies for one month for the Citywide Naturalization Project from June 1, 1997 until June 30, 1997,

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and provide partial compensation for naturalization services which have already been provided by the four non-profit agencies. Specifically, the funds will be used to provide the following services: intake and assessment, information and referral, assistance with citizenship applications, English as a Second Language (ESL) and citizenship classes, legal services, translation and counseling services. According to Mr. Young, each non-profit provides each of the services, serving elderly immigrants throughout the City from a number of linguistic groups.

**Budget:**

The proposed budget for the requested supplemental appropriation, in the amount of \$75,000, would be allocated to the following four non-profit organizations:

Self Help for the Elderly/Asian Law Caucus	\$34,680
La Raza Centro Legal	17,040
Jewish Family and Children's Services	11,865
International Institute of San Francisco	<u>11,415</u>
<b>TOTAL</b>	<b>\$75,000</b>

**Comments:**

1. According to Mr. Young the four non-profit organizations were selected through a Request for Proposal process by the Immigration Subcommittee of the Mayor's Welfare Reform Task Force in cooperation with the San Francisco Foundation. Mr. Young advises that the organizations were selected based upon their abilities to service persons in need of citizenship-related services corresponding to the City's geographic and linguistic needs. Specific criteria for selecting contractors included the following: (1) demonstrate an ability to coordinate and to administer programs which are citywide and multiethnic; (2) provide services for primary language grouping as represented in the City; (3) experience and history of service delivery and in naturalization; (4) willingness to meet as coordinating team to implement citywide plan; and (5) ability to build on existing resources and to expand services with limited resources.

2. According to Mr. Young, the proposed supplemental appropriation of \$75,000 would be used in part to provide partial compensation for the naturalization services listed above which have already been provided. Therefore the proposed ordinance should be amended to provide for retroactivity.

3. Mr. Young, Project Manager of Citizenship Services of the Department of Human Services (DHS), advises that he is coordinating preparation of the budget for the proposed naturalization services. Mr. Young advises that the

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Commission on the Aging (COA), and not the DHS, would award the subject funds of \$75,000 to the non-profit organizations because the subject funds are specifically designated to provide naturalization services for seniors.

- Recommendations:**
1. Amend the proposed resolution for retroactivity in accordance with Comment No. 2.
  2. Approval of the proposed resolution, as amended, is a policy matter for the Board of Supervisors.



Item 4 - File 121-97-1

**Note:** This item was amended and then continued by the Finance Committee at its meeting of May 21, 1997.

**Item:** Ordinance amending Section 1148.1 of the Police Code relating to the issuance of permits for specialized motor vehicles for hire.

**Description:** In January of 1997, the Board of Supervisors approved an ordinance which modified the Police Code to provide for the operation and regulation of "ramped taxicabs" (File 121-96-14). These specialized vehicles for hire, equipped with taximeters, are defined as minivans or similar vehicles specially adapted with ramps to provide access for persons using wheelchairs. Drivers of ramped taxicabs are to grant priority to requests for service from persons using wheelchairs. However, in the absence of such requests for service from persons using wheelchairs, ramped taxicabs may transport any person requesting service.

The proposed ordinance would amend Section 1148.1 of the Police Code pertaining to ramped taxicabs by revising the process for obtaining a permit to operate a ramped taxicab.

According to Officer Farrell Suslow of the Police Department, the Police Commission maintains two waiting lists for drivers who would like to obtain permits for operating vehicles for hire. One waiting list is for regular taxicabs (non-handicapped accessible) and the other waiting list is for ramped taxicabs (handicapped accessible). Drivers are prioritized on the waiting lists based on the time and date that the request to be placed on the waiting list is received by the Police Commission.

Officer Suslow reports that current regulations for obtaining a permit to operate a ramped taxicab provide that drivers already on the waiting list for a regular taxicab permit must submit a letter to the Police Commission requesting transfer to the ramped taxicab waiting list. Officer Suslow reports that, under existing regulations in the Police Code, after the letter is received, the driver's place on the regular taxicab waiting list is withdrawn. Officer Suslow states that under the proposed amendment to Section 1148.1 of the Police Code, a written request would no longer be required. Instead, a driver on the regular taxicab waiting list would automatically be placed on the ramped taxicab waiting list but would continue to hold his or her position on the regular taxicab waiting list.

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Furthermore, Officer Suslow states that existing regulations require that a driver on the regular taxicab waiting list, wishing to be placed on the ramped taxicab waiting list, demonstrate to the Police Commission that he or she has been a full-time driver during the six months preceding the request to transfer to the ramped taxicab list. According to Officer Suslow, under the proposed ordinance, that requirement would be eliminated.

Section 1148.1 of the Police Code was amended to preclude a driver who accepts a ramped taxicab permit from accepting a regular taxicab permit for a minimum of ten years, but that such a driver would remain on the waiting list for a regular taxicab permit and the driver's application would be kept active until a regular taxicab permit becomes available after the ten-year period. Officer Suslow advises that at such time a regular taxicab permit becomes available, the driver would have a choice either keeping the ramped taxicab permit or obtaining a regular taxicab permit.

**Comment:**

According to Officer Suslow, the proposed amendments to the Police Code would not result in any incremental increased enforcement costs to the Police Department.

**Recommendation:**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Item 5 - File 101-96-75

**Department:** Human Rights Commission

**Item:** Ordinance appropriating \$151,876 from the General Fund Reserve to the Human Rights Commission to conduct a disparity study of minority and women business utilization.

**Amount:** \$151,876

**Source of Funds:** General Fund Reserve

**Description:** The existing MBE/WBE/LBE Ordinance is scheduled to sunset June 30, 1997. According to Ms. Marivic Bamba of the Human Rights Commission (HRC), before a new ordinance is enacted, a study of whether disparity or discrimination still exists for minority and women business owners must be conducted in accordance with the criteria specified in the U.S. Supreme Court's 1989 decision in Croson vs. the City of Richmond, VA.

Therefore, according to Ms. Bamba, the HRC entered into an agreement with Mason Tillman Associates, a certified MBE firm, for \$75,000 (894 hours at an average hourly rate of \$83.90), in January of 1997 to conduct a disparity study of minority and women business utilization. The study is scheduled to be completed by August 31, 1997. Ms. Bamba states that \$75,000 to conduct this study was included in the HRC's FY 1996-97 budget. The HRC has since decided to expand the scope of analyses of the Disparity Study for two reasons: (1) public hearings highlighted the need to consider the possibility of including Arab-American and Native American contractors under the MBE/WBE/LBE Ordinance, and (2) the data available to perform the Disparity Study did not reflect actual payments to subcontractors, thus Mason Tillman Associates will need to alter their methodology to complete their analysis, which will require more hours of work. Ms. Bamba reports that an additional \$151,876 (approximately 1,810 hours at an average hourly rate of \$83.90) is required by Mason Tillman Associates to include the additional analyses desired by HRC in the disparity study, for a total project cost of \$226,876.

**Budget:** The Attachment, provided by the HRC, compares the scope of work and cost for the initial \$75,000 with the proposed extended scope of work for this subject request of \$151,876.

**Comments:** 1. According to Ms. Bamba, Mason Tillman Associates was the only firm which responded to the Request for Proposal for the initial \$75,000 contract. Ms. Bamba reports that the

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Memo to Finance Committee  
May 28, 1997

contract with Mason Tillman Associates was modified to include payment of \$151,876 (the subject of this request) for the additional analysis because Mason Tillman Associates had collected the initial data.

2. Ms. Bamba reports that the disparity study will result in recommendations to improve the City's MBE/WBE/LBE program which seeks to remedy identified discriminatory practices in contracting.

**Recommendation:** Approve the proposed supplemental appropriation ordinance.

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## City and County of San Francisco



Willie Lewis Brown, Jr.  
Mayor

## Human Rights Commission

Contract Compliance  
Dispute Resolution/Fair Housing  
Minority/Women/Local Business Enterprise  
Lesbian Gay Bisexual Transgender & HIV Discrimination

Marivic S. Bamba  
Executive Director

## M E M O R A N D U M

DATE: May 22, 1997

TO: Marivic S. Bamba  
Executive Director

FROM: Gail P. Roberts C-PR  
Coordinator

RE: Budget Analyst's Analysis for File 101-96-75

ORIGINAL BUDGET

Compute availability of willing and able businesses in the market area	\$ 19,091
Examine the pattern and level of M/W/LBE's utilization between 1992-95	\$ 11,915
Perform disparity analysis	\$ 8,744
Conduct 35 interview and describe recent patterns and practices that affect contracting with M/W/LBEs	\$ 33,250
Participate in two public meetings	\$ 2,000
<b>TOTAL</b>	<b>\$ 75,000</b>

SUPPLEMENTAL APPROPRIATION BUDGET

1. Develop a legal framework for the study	\$ 4,239.96
2. Analyze past and present contracting procedures	\$ 9,186.18
5. Market Area	\$ 5,584.42
7a Utilization Non-MWBE Subcontractors 1995-96	\$ 15,173.21
7d Expenditure Survey	\$ 13,242.10
7e Capacity Survey	\$ 13,242.10
11. Evaluate legal provisions prohibiting discrimination	\$ 5,399.66
12. Executive Summary	\$ 5,399.66
14. Policy Recommendations	\$ 17,372.56
16. Verification of anecdotal accounts	\$ 14,610.86
17. Meetings with project management	\$ 19,481.52
18. Participate in four public meetings	\$ 4,000.00
19. Produce Final Report	\$ 19,505.37
20. Presentations to Board of Supervisors	\$ 5,438.40
<b>TOTAL</b>	<b>\$151,876.00</b>







Items 6 and 7 - Files 101-96-81 and 102-96-17

**Departments:** Sheriff's Department  
Department of Public Works (DPW)  
Department of City Planning

**Item:** **Item 6, File 101-96-81** - Supplemental appropriation ordinance appropriating \$1,195,000 from the General Fund Reserve for salaries, fringe benefits, professional services and services of other departments and the creation of one new position at the Sheriff's Department for costs related to the replacement of County Jail No. 3.

**Item 7, File 102-96-17** - Ordinance amending 1996-97 Annual Salary Ordinance to reflect the creation of one new position in the Sheriff's Department.

**Amount:** \$1,195,000

**Source of Funds:** General Fund Reserve

**Description:** The proposed supplemental appropriation ordinance (File 101-96-81) would appropriate \$1,195,000 from the General Fund Reserve to initiate Phase I of the County Jail No. 3 Replacement Project, which provides for the replacement of County Jail No. 3 (also known as the San Bruno Jail) with a new jail facility. County Jail No. 3 is located on a 150-acre site in the unincorporated area of San Mateo County near the City of San Bruno. Jail No. 3 has a rated capacity of approximately 550 inmates and a current population of 523 inmates, according to the Sheriff's Department.

The Department of Public Works (DPW) advises that, since this supplemental appropriation request was submitted to the Mayor's Office in January of 1997, some changes in the budget have occurred, but the total request of \$1,195,000 remains unchanged. This report is based on DPW's revised budget for this \$1,195,000 request, as shown below:

Permanent Salaries	\$32,065
Fringe Benefits	7,935
Professional and Specialized Services	848,875
Services of Other Depts. - DPW	156,125
Services of Other Depts. - City Planning	<u>150,000</u>
Total	\$1,195,000

The proposed ordinance (File 102-96-17) would amend the 1996-97 Annual Salary Ordinance to reflect the creation of

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one new limited-tenure (L) position in the Sheriff's Department, as follows:

<u>Class</u>	<u>Title</u>	<u>No. of Positions</u>	<u>Biweekly Salary</u>	<u>Maximum Annual Salary</u>
1370 L	Special Assistant XI	1	\$1,946 - \$2,365	\$61,727

In 1991, a lawsuit was filed against the City regarding conditions at County Jail No. 3. As a result of the lawsuit, the Federal Court appointed a Special Master, Mr. Allen Breed, to investigate and report upon the existing conditions at County Jail No. 3. According to Mr. Breed's report, Jail No. 3 is an unsafe building for the purpose of confining prisoners and contains lighting and plumbing deficiencies, unsanitary conditions, heating and ventilation problems and potential seismic safety hazards, among numerous other deficiencies. The Federal Court's decision on this lawsuit is currently pending.

According to the Sheriff's Department, there is a consensus among many City departments, including the Sheriff, the Mayor's Office and DPW, that County Jail No. 3 needs to be replaced with a new jail facility. Two bond measures which would have provided funding for the construction of a new jail facility to replace County Jail No. 3 were defeated by San Francisco voters in 1992 and 1994.

The Sheriff's Department and DPW have developed a preliminary program and site plan to provide for the replacement of the existing dilapidated and decaying County Jail No. 3 facility with a new structure which complies with City Health and Building Codes and with State standards for incarceration. The replacement jail facility for County Jail No. 3 would be constructed adjacent to existing County Jail Nos. 3 and 7, both located on the San Bruno property. The Attachment, provided by DPW, contains a preliminary description of the proposed Jail No. 3 Replacement Project, which would provide for (a) the construction of a housing facility containing 384 cells and dayroom space in two identical, two-story buildings; (b) the construction of an administrative/services building containing a kitchen, laundry facilities, office space, classrooms and other facilities; (c) the construction of a vehicle and general storage facility; and (d) various site improvements, such as roadwork, parking lots, water, sewage and electric power improvements. Following construction, inmates currently housed at Jail No. 3 would be transferred to the new jail

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facility and the existing Jail No. 3 facility would be demolished.

Based on preliminary estimates, DPW reports that the proposed Jail No. 3 Replacement Project will cost approximately \$130 million, consisting of approximately \$94 million for construction and \$36 million for architectural, engineering and construction management services. Ms. Tara Lamont of DPW advises that DPW, in collaboration with the Mayor's Office and the City Attorney's Office, is currently in the process of evaluating various funding options and plans to submit legislation to the Board of Supervisors to approve a funding mechanism for the Jail No. 3 Replacement Project in June of 1997 (see Comments No. 1 and 2).

The proposed supplemental appropriation ordinance would appropriate \$1,195,000 from the General Fund Reserve in order to initiate Phase I of the County Jail No. 3 Replacement Project. Phase I of this project encompasses two major tasks: (1) the Environmental Impact Report (EIR) for the site, and (2) programming and planning for the proposed buildings. Phase I is expected to be completed by September of 1998. According to Ms. Lamont, the EIR and the programming and planning projects must be completed before construction can commence and regardless of what funding mechanism is eventually selected to finance the replacement jail facility.

According to DPW, during the period between 1990 and 1994, an EIR was prepared for the 150-acre site on which Jail No. 3 is located. However, according to Ms. Lamont, since that time, the scope of the project has been reduced considerably and redefined to include replacement facilities only (versus expanded facilities). In addition, Ms. Lamont advises that many of the environmental studies conducted during that period are now invalid because expiration dates for these studies, which included endangered species and wetlands deterioration studies, have elapsed. In addition, Ms. Lamont advises that Federal environmental regulations have undergone major changes since 1990. Nevertheless, Ms. Lamont reports that all material from these studies which is still valid will be salvaged and used for the current Jail No. 3 Replacement Project.

DPW estimates that the total cost of Phase I of the Jail No. 3 Replacement Project will be approximately \$3,195,000. The proposed supplemental appropriation ordinance would provide \$1,195,000 of this amount, while the balance of \$2,000,000 would be included in a future supplemental

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appropriation request (see Comment No. 3). DPW advises that no funding is included in the FY 1997-98 budget for this project.

Explanations of the proposed expenditures included in this \$1,195,000 request are as follows, based on the revised budget.

**Permanent Salaries (\$32,065)**

According to Captain Dempsey, the Sheriff's Department currently has one Lieutenant, the Capital Improvements and Facilities Maintenance Manager, who is responsible for planning and monitoring all capital improvement and facilities maintenance projects at the County's six jails. In addition, this Lieutenant will soon be required to undertake the following additional responsibilities: (a) overseeing the expenditure of \$749,000 included in the Sheriff's FY 1997-98 budget request for capital improvements and facilities maintenance projects at the existing County Jail No. 3; (b) assisting the City Attorney's effort in preparing the City's defense against an outstanding contractor's lawsuit regarding the new Sheriff's jail facility located at 425 Seventh Street; (c) conducting a cost assessment of the capital improvements needed at the Brig at Treasure Island, which the Sheriff plans to use as a women's jail; and (d) overseeing Phase I of the Jail No. 3 Replacement Facility Project, which is the subject of this supplemental appropriation request. Captain Dempsey advises that the Sheriff's Department is requesting a new, limited tenure position in order to assist the Sheriff's current Capital Projects and Facilities Maintenance Manager in performing the above duties.

This request would fund one new, limited-tenure 1370 Special Assistant XI position in the Sheriff's Department for approximately 7.5 months, from on or about June 16, 1997 through January 30, 1998, based on \$1,946 per pay period for 16.5 pay periods (7.5 months). The Sheriff's Department advises that it will submit a second supplemental appropriation during FY 1997-98 to fund this new, limited tenure position for an additional eight months, or through the end of Phase I. The Sheriff's Department advises that this new position would be eliminated upon the completion of Phase I of the Jail No. 3 Replacement Project.

**Fringe Benefits (\$7,935)**

This request represents fringe benefit costs related to permanent salaries (24.7 percent of \$32,065).

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**Professional and Specialized Services (\$848,875)**

DPW reports that the consulting firm of Beverly Prior Architects, a WBE firm, was selected through a Request for Proposals (RFP) process for the amount of \$369,000, for the period from June, 1997 through December, 1997. The average hourly rate for Beverly Prior Architects is \$87.45, for approximately 4,220 hours of service to be provided with this supplemental appropriation request. Services to be provided by Beverly Prior Architects and its subcontractors would include planning and programming related to architectural, mechanical and plumbing, security, food service, landscaping, cost estimating and scheduling and preservation for the Jail No. 3 Replacement Project.

DPW advises that the consulting firm of Kennedy Jenks/Olmm Engineering, a Joint Venture, was selected through an RFP process to provide civil engineering services and to perform site studies, including geotechnical, site survey, traffic and structural studies, which are needed to complete the EIR and to obtain the necessary permits. Kennedy Jenks is not an MBE or WBE firm. Olmm Engineering is an MBE firm. The amount of the consulting contract is \$219,875, which would provide approximately 2,587 hours of service at an average hourly rate of \$85 per hour, for the 16-month period from June, 1997 through the completion of Phase I in September of 1998.

The firm of Baseline Environmental, a WBE firm, was selected by DPW through a RFP process to conduct two environmental studies, the wetlands delineation and biological studies, needed to complete the EIR and to obtain necessary permits. The amount of this consulting contract is \$60,000. DPW reports that the hourly rate for Baseline Environmental is \$70 per hour, for a total of 857 hours of service. According to Ms. Lamont, expenditures have already been incurred against this \$60,000 contract because these environmental studies had to be conducted during the month of March in order to have viable results (see Comment No. 4).

This request also includes \$200,000 for an EIR consultant to prepare the EIR report and conduct public hearings. DPW advises that this consultant has not yet been selected. However, Ms. Lamont advises that the EIR consultant will be chosen from a list of as-needed consultants which were originally selected through an RFP process and which have been approved by the Human Rights Commission (HRC).



The following table shows the primary consultants and their subcontractors, their MBE/WBE status and the contract amounts for each of the above consulting contracts.

<u>Service to be Provided</u>	<u>Name of Firm</u>	<u>MBE/WBE Status</u>	<u>Amount</u>	<u>Total</u>
<u>Programming &amp; Planning:</u>				
<u>Primary Contractor:</u>				
Architectural	Beverly Prior Architects	WBE	\$250,000	
<u>Subcontractors:</u>				
Mechanical & Plumbing	MHC Engineers	MBE	30,000	
Security	On-Line Electric	--	25,000	
Food Service	Fetter Associates	--	21,000	
Landscape	Bava Associates	WBE	6,000	
Cost Estimating & Scheduling	Saylor Associates	WBE	25,000	
Preservation Consultant	Page & Turnbull	--	12,000	
Subtotal				\$369,000
<u>Site Studies:</u>				
<u>Primary Contractor:</u>				
Civil Engineering	Kennedy Jenks/ Olmm Engineering, a Joint Venture	MBE	\$84,875	
<u>Subcontractors:</u>				
Geotechnical Services	Rutherford & Chekene	--	70,000	
Site Survey	Towill Engineers	--	25,000	
Traffic Study	DKS, Inc.	MBE	15,000	
Structural Study	Olmm Engineering	MBE	25,000	
Subtotal				219,875
<u>Environmental Studies</u>	Baseline Environmental	WBE		60,000
<u>EIR Consultant</u>	TBD*			200,000
TOTAL				<u>\$848,875</u>

\* TBD = to be determined

**Services of Other Depts. - DPW (\$156,125)**

This supplemental appropriation request would provide funding for DPW staff to provide project management, planning and hazardous materials engineering services for Phase I of the Jail No. 3 Replacement Project for the six-

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month period from June through December, 1997. A breakdown of this request is as follows:

<u>Position Title</u>	<u>Hourly Rate</u>	<u>Estimated No. of Hours</u>	<u>FTE</u>	<u>Amount</u>
Project Manager III	\$82.00	750	0.36	\$61,500
Associate Architect I	57.50	950	0.45	54,625
Planner/Engineer	85.00	250	0.12	21,250
Hazardous Materials Field Engineer	75.00	250	0.12	18,750
<b>TOTAL</b>		2,200	1.05	\$156,125

**Services of Other Depts. - City Planning (\$150,000)**

This request is based on City Planning's standard fee schedule to conduct a detailed review and approval of the Environmental Impact Report (EIR). The standard fee schedule, as approved by the Board of Supervisors, is included in Administrative Code Section 31.46A and is based on the estimated construction cost of approximately \$94 million for the replacement jail facility. This request would provide funding for the 16-month period from June, 1997 through the completion of Phase I in September, 1998.

**Total Supplemental Appropriation Request \$1,195,000**

**Comments:**

1. According to Ms. Lamont, the Charter of 1996 transferred various construction procedures from the Charter to the Administrative Code, thereby providing the City with more flexibility in developing and financing major construction projects. As such, the funding mechanism being proposed for the Jail No. 3 replacement facility is relatively new to the City. The proposed funding mechanism, which must be approved by the Board of Supervisors, provides for the design, construction and financing of the replacement jail facility by a team of private construction and design firms. Under this arrangement, Ms. Lamont advises that the City would likely enter into a long-term lease agreement with a private design-build team for the City's use of the replacement jail facility and would make annual lease payments, including interest, to the private design-build team. Ms. Lamont advises that the funding source for the annual lease payments have not yet been identified. According to Mr. Victor Castillo of the City Attorney's Office, this design-build financing mechanism for the replacement jail facility requires approval by the Board of Supervisors.

2. Ms. Lamont advises that, in February of 1997, approximately 130 Request for Qualifications (RFQ) were mailed out to various construction and design firms and that an RFQ was advertised in the City's official newspaper, the San Francisco Independent, and on the Internet. This RFQ requested that teams, consisting of construction and design firms, submit proposals to finance, design and construct a replacement jail facility for Jail No. 3 in accordance with certain specifications included in the RFQ. Ms. Lamont advises that the City received six design-build financing proposals, of which five are now being considered by DPW and the Mayor's Office. These five teams will submit more detailed financing proposals on September 1, 1997 and will develop and submit a design and estimated cost for the replacement jail facility in December of 1997. Ms. Lamont advises that the City will then select one of the five proposals and will proceed with construction of the replacement jail facility, pending completion of the EIR.

3. Ms. Lamont advises that the estimated \$2,000,000 still needed to complete Phase I of the Jail No. 3 Replacement Project may be financed using the same funding source which will be used to finance the design and construction of the replacement jail facility.

4. As noted above, expenditures have been incurred against the proposed supplemental appropriation ordinance. As such, the proposed supplemental appropriation ordinance (File 101-96-81) should be amended to provide for ratification of actions previously taken.

5. As noted above, the budget for this \$1,195,000 supplemental appropriation request has been revised since it was submitted to the Mayor's Office in January, 1997. As such, the proposed ordinance (File 101-96-81) should be amended to reflect DPW's revised budget, as follows:

<u>Line Item</u>	<u>Amount of Original Request</u>	<u>Revised Amount</u>	<u>Recommended Change</u>
Permanent Salaries	\$32,065	\$32,065	\$0
Fringe Benefits	7,935	7,935	0
Professional and Specialized Services	850,000	848,875	(1,125)
Services of Other Depts. - DPW	260,000	156,125	(103,875)
Services of Other Depts. - City Planning	<u>45,000</u>	<u>150,000</u>	<u>105,000</u>
TOTAL	\$1,195,000	\$1,195,000	\$0

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- Recommendations:**
1. Amend the proposed supplemental appropriation ordinance (File 101-96-81) to provide for ratification of action previously taken.
  2. Amend the proposed supplemental appropriation ordinance (File 101-96-81) to reflect DPW's revised budget, in accordance with Comment No. 5 above.
  3. Approve the proposed supplemental appropriation ordinance (File 101-96-81), as amended.
  4. Approve the proposed ordinance (File 102-96-17) to amend the 1996-97 Annual Salary Ordinance to reflect the addition of one new limited-tenure position in the Sheriff's Department.

## PROJECT DESCRIPTION

The County Jail No. 3 Replacement Facility is a maximum security adult detention facility. The facility is to be designed and constructed to be an efficient, secure and safe facility in which to humanely incarcerate, educate counsel, feed, clothe and medically treat persons confined by law. While security is a key concern, the facility must also be livable and workable, projecting an atmosphere that is not intimidating or sterile. The project is considered an "essential" facility.

Construction will take place while existing adjacent high security County Jails Nos. 3 and 7 are fully operational. Other site constraints include protection of surrounding environmentally sensitive areas, such as adjacent wetlands, as well as construction noise abatement to buffer the neighboring residential community.

The following preliminary program, site plan and diagrammatic plans and sections, developed by the San Francisco Sheriff's Department, provides a broad outline of the scope of the project.

### I. SITE IMPROVEMENTS

- A. Roadwork: The main access road into the site is to be widened to two lanes. A new interior access road from the new Administrative/Services Building, Building A, to the new Vehicle and General Storage Facility, Building V is to be added. Various existing interior roads are to be re-paved.
- B. Parking: Two segregated standard parking lots for staff and visitors.
- C. Water and sewage infrastructure improvements: Replacement of existing water tanks with two new water tanks to provide redundancy and larger capacity.
- D. Sewage: A new gravity feed main sewer from the new project to the sewer pump station.
- E. Electric power: New electric service and emergency generator.

### II. BUILDING PROGRAM

#### A. Administrative/Services Building: Building A

This facility is approximately 60,000 s.f., two stories and contains following key areas:

- 1. Lobby: This is the entry point for staff and visitors and forms the main interface between the public and security functions of the jail. Includes waiting space for visitors and a deputy reception component that contains the communications and data systems interface with inmate database.
- 2. Communications Room: A "hub" for all communications and data systems. All power is on the emergency generator.
- 3. Attorney Visiting: four to six non-contact booths.
- 4. Kitchen: Approximately 10,000 s.f. to be designed to serve the entire CCSF jail system of approximately 2,500 inmates. Quick-chill system of operation. Includes office space with sightlines to cover inmate activity. Adjacent to loading dock.



5. Bakery: Approximately 4,000 s.f. Highly efficient modern bakery system designed to operate in a maximum security environment to meet the needs of the entire CCSF jail system of approximately 2,500 inmates.
6. Laundry: Approx. 4,500 s.f. designed to serve entire CCSF jail system of approximately 2,500 inmates. Includes office area with sightlines for supervision, inmate break area.
7. Administrative offices and support area including multi-purpose and locker rooms.
8. Staff dining, exercise and locker rooms.
9. Medical/Dental Bays: Includes four safety cells, two exam rooms, two accessible holding cells, medical treatment room, fully equipped dental area with two chairs and x-ray equipment, nurses station and pharmacy.
10. Classrooms: Four at approx. 800 s.f. each.
11. Law library.
12. Electronic arraignment rooms: Two rooms equipped with two-way conferencing system.
13. Intake: Includes vehicular sallyport, holding cells, central processing area.
14. Central Control: Controls all electronic security systems.
15. Central plant: Heating plant for entire site.

### III. HOUSING: BUILDINGS H-1 AND H-2

Replacement housing consists of 384 cells and dayroom space, contained in two identical buildings. Each building consists of four (4) housing pods with 48 cells stacked in two levels. Each pod is laid out in a double tiered 180 degree semi-circle, configured for maximum visibility for deputy sheriffs staffing the units.

Pods include multi-purpose space for programs, non-contact visiting and operational space. The dayroom space contains a deputy station, pantry, exercise equipment, etc. A fully equipped Control Room is located so as to have clear unobstructed sightlines.

The pods are configured so that the plumbing chase runs along the exterior perimeter providing ease of installation and access. Exterior to the pods are secured exercise yards, one exercise yard per pod.

### IV. VEHICLE AND GENERAL STORAGE FACILITY - BUILDING V

Three weather-tight warehouse buildings totaling approx. 24,000 s.f. for vehicle maintenance and storage.



Items 8 and 9 - Files 101-96-82 and 102-96-18

**Department:** Department of Building Inspection (DBI)

**Item:** **Item 8, File 101-96-82:** Ordinance appropriating \$546,000 for salaries, fringe benefits, facilities maintenance, materials and supplies, and equipment for the creation of 10 new positions to allow DBI to improve permitting services and transmit plans electronically to the Department of City Planning.

**Item 9, File 102-96-18:** Ordinance amending the FY 1996-97 Annual Salary Ordinance reflecting the creation of 10 new positions in DBI.

**Amount:** \$546,000

**Source of Funds:** Unreserved Fund Balance of the Building Inspection Fund, which consists of building application and building permit fee revenues paid to DBI.

**Description:** The Department of Building Inspection is requesting a supplemental appropriation (File 101-96-82), in the amount of \$546,000, to fund the creation of 10 new positions, facilities maintenance, materials and supplies, and equipment.

The companion proposed ordinance (File 102-96-18) would amend the FY 1996-97 Annual Salary Ordinance to add 10 new positions.

DBI processes approximately 50,000 construction permits annually. According to Mr. Frank Chiu, Director of Building Inspection, approximately ten percent of the 50,000 applications, or 5,000 applications, require review and approval by City departments in addition to DBI. Typically, these other City departments include the Fire Department, the Planning Department, the Department of Public Works, and the Health Department. This proposed request (File 101-96-82) is for DBI to staff, equip, and operate a One-Stop Permit Center in order to provide coordinated processing of permit applications requiring multi-departmental review and approval. The One-Stop Permit Center would be located on the first floor of 1660 Mission Street, in space currently used for processing building permit applications. 1660 Mission Street is a City-owned building which currently houses DBI and the Department of City Planning.

Memo to Finance Committee  
May 28, 1997 Finance Committee Meeting

According to the DBI, the implementation of the One-Stop Permit Center would allow applicants who are applying for construction permits that require review and approval by multiple City Departments to be serviced by a single Permit Coordinator, as opposed to the current process whereby applicants are required to have their permits reviewed by four or five different City employees of various City departments. Four of the requested 10 new positions are for Permit Coordinators. Employees filling those positions would be responsible for serving as a single point-of-contact for permits requiring multi-departmental review and approval to ensure that those building projects are reviewed and approved in a more timely, coordinated manner than what currently occurs. Attachment I to this report, provided by the DBI, shows the current plan check process for building permit applications that require multi-departmental review and approval. Attachment II, also provided by DBI, shows the proposed one-stop permit process for such building permit applications. DBI estimates that the review and approval process for a permit application that currently requires an average of 17 weeks would be reduced to an average of seven weeks under the one-stop permit process.

File 102-96-18 would amend the Annual Salary Ordinance to create 10 new positions, as follows:

No. of <u>Positions</u>	<u>Title</u>	Biweekly <u>Salary</u>	Maximum Annual <u>Salary</u>	Total Annual Salaries at Maximum <u>Step</u>
1	1374 Special Assistant XV	\$2,607-\$3,169	\$ 82,711	\$82,711
4	1372 Special Assistant XIII	\$2,252-\$2,737	71,436	285,744
4	AA43 Permit Clerk II	\$1,368-\$1,658	43,274	173,096
<u>1</u>	1446 Secretary II	\$1,298-\$1,573	41,055	<u>41,055</u>
10	TOTAL			\$582,606

As shown in the above table, the annual salary for the 10 new positions at the top step would be \$582,606.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Budget:**

A summary budget for the requested supplemental appropriation, for the period May 1, 1997, through June 30, 1997, is as follows:

10 New Staff Positions		
Salaries	\$118,746	
Fringe Benefits @ 22 percent	<u>26,124</u>	
Subtotal		\$144,870
Facilities Maintenance		150,000
Furniture and Equipment		80,000
Computer Equipment		<u>171,130</u>
Total		\$546,000

An explanation for this \$546,000 request, including salaries for the period of May 1, 1997, through June 30, 1997, is as follows:

**10 New Staff Positions (\$144,870)**

DBI is requesting the creation of 10 new positions as follows:

The one 1374 Special Assistant XV position would be the Permit Manager for the One-Stop Permit Center and the four 1372 Special Assistant positions would be Permit Coordinators. The four AA43 Permit Clerk II positions would determine application routings, process routine applications that do not require plan check, and assist the Permit Coordinators. The one 1446 Secretary II positions would provide secretarial support for the One-Stop Permit Center.

Funds would be used to provide salaries and fringe benefits from May 1, 1997, through June 30, 1997, for the ten new positions as follows:

1374 Special Assistant XV (1 @ Step 5)	\$16,687	
1372 Special Assistant XIII (4 @ Step 5)	57,654	
AA43 Permit Clerk II (4 @ Step 5)	34,924	
1446 Secretary II (1 @ Step 5)	<u>9,481</u>	
Subtotal		\$118,746
Fringe Benefits @ 22 percent	<u>26,124</u>	
Total		\$144,870

The \$144,870 was calculated by DBI on the basis that ten positions would be staffed for a total of 4.3 pay periods, from May 1, 1997, through June 30, 1997.



**First Floor Space Remodeling (\$150,000)**

Funds would be used to remodel existing DBI space on the first floor of the City-owned 1660 Mission Street facility. According to Ms. Paulette Hooey of DBI, the Department has not yet selected a contractor to remodel the space and is unable to provide cost details at this time. Therefore the amount of \$150,000 should be placed on reserve pending selection of a contractor and submission of budget details.

**Equipment and Furniture for the Remodeled Space(\$80,000)**

Funds would be used to purchase equipment and furniture for the One-Stop Permit Center. Attachment III, provided by DBI, contains a budget for this \$80,000 request.

**Computer Equipment (\$171,130)**

Funds would be used to purchase computers, software, and other data processing equipment in order to automate the one-stop plan checking and review processes. Attachment III contains a budget for the requested computer equipment. \$128,000 of the \$171,130 budgeted for computer equipment would be used to procure such equipment for the Department of City Planning. Of the remaining \$43,130 which would be used to procure computer equipment for DBI, Ms Hooey reports that the DBI's actual need is only \$40,000, for a total equipment requirement of \$168,000.

The Electronic Information Processing Steering Committee<sup>1</sup> (EIPSC) has approved the requested computer equipment for the Department of City Planning in the amount of \$128,000, but has not yet reviewed the list of computer equipment requested by DBI. Therefore, funding in the amount of \$40,000 to procure computer equipment for DBI should be reserved.

According to Mr. Chiu, DBI is requesting funding to procure computer equipment for the Department of City Planning instead of City Planning requesting funding for its own computer equipment because the One-Stop Permit Center is a DBI project that is being designed to address the concerns

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<sup>1</sup> Legislation is currently before the Board of Supervisors to change the name of the Electronic Information Processing Steering Committee to the Committee on Information Technology.

Memo to Finance Committee  
May 28, 1997 Finance Committee Meeting

of and improve service to building permit applicants, who are customers of DBI's services.

**Comments:**

1. The amount of \$144,870 in salaries and fringe benefits for 10 new positions was calculated by DBI on the basis that the 10 positions would be staffed for a total of 4.3 pay periods, from May 1, 1997, through June 30, 1997. However, since the earliest that DBI could fill the requested new positions is by mid-to-late June, Ms. Hooey has stated that any funding for salaries for that short time period ending June 30, 1997, could be absorbed by DBI's existing salary accounts. Therefore, if the Finance Committee approves the proposed supplemental appropriation ordinance (File 101-96-82), the requested funding for salaries should be reduced by \$118,746, from \$118,746 to \$0, and funding for fringe benefits should be reduced by \$26,124, from \$26,124 to \$0. Therefore the total amount that can be deleted for salaries and fringes is \$144,870.

2. As previously noted, DBI has not yet selected a contractor for the requested remodeling funds of \$150,000 and is unable to provide cost details at this time. Therefore the requested \$150,000 should be placed on reserve.

3. As previously noted, EIPSC has not yet approved the computer equipment in the amount of \$40,000 as requested by DBI. Further, as previously noted, the requirement for computer equipment for DBI is \$40,000 instead of \$43,130, or \$3,130 less than requested. Therefore, requested funding in the amount of \$171,130 for computer equipment should be reduced by \$3,130 to \$168,000, and the \$40,000 which would then be allocated to DBI should be reserved, pending EIPSC approval.

4. Mr. Chiu has advised the Budget Analyst that the number of Permit Coordinator and Permit Clerk positions (four positions each) was determined by applying an average permit workload of 625 permit applications per position on an annual basis (the estimated 5,000 permit applications that would be processed by the One-Stop Permit Center divided by eight staffpersons), or approximately three permit applications per day, based on 210<sup>2</sup> workdays. Mr. Chiu further states that based on the experience of current departmental managers who coordinate complex projects, an

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<sup>2</sup> 210 days is an approximate number of actual workdays for each employee. The number is derived by subtracting holidays, sick pay, vacation, and training from the 261 maximum number of workdays available (total days annually less weekends).

average of three permit applications per day is a reasonable workload. The Budget Analyst concurs with DBI's estimate of the number of employees required to adequately perform the permit application coordination workload and therefore recommends approval of the ten requested new positions.

5. DBI is financed by a Special Building Inspection Fund which accumulates the revenues realized from building permit fees collected by DBI. Ms. Hooley reports that for the past two fiscal years, departmental revenues have exceeded departmental expenditures by an average of \$1.6 million annually, which accounts for DBI's current Special Fund balance of approximately \$3.2 million. Regarding such revenues, Ms. Hooley reports that DBI projects surplus revenues of \$1.5 million for FY 1996-97, which would increase the total Special Fund balance to approximately \$4.7 million, not taking into consideration this supplemental appropriation request of \$546,000.

6. The Fund balance of \$4.7 million referred to above is in addition to revenues in the amount of \$4.9 million which DBI has collected but has not yet performed the required work. Attachment IV to this report is a memorandum from the Director of Building Inspection concerning the fact that the DBI continues to collect revenues significantly exceeding its expenditures.

7. As previously noted, DBI's Building Inspection Fund has generated revenues in excess of expenditures of at least \$1.5 million for the past three fiscal years. Therefore, DBI should consider reducing its building permit fees.

- Recommendations:**
1. Reduce the proposed \$546,000 supplemental appropriation (File 101-96-82) by \$118,746 in salaries and \$26,124 in fringe benefits for a total reduction of \$144,870, to \$401,130 in accordance with Comment No. 1.
  2. In accordance with Comment No. 2., reserve the amount of \$150,000 for remodeling the first floor of 1660 Mission Street, pending selection of a contractor and submission of budget details.
  3. In accordance with Comment No. 3., reduce the request for computer equipment by \$3,130, from \$171,130 to \$168,000, and reserve the amount of \$40,000 allocated to DBI, pending approval by EIPSC.
  4. Approve the proposed ordinance (File 101-96-82) as amended.

Memo to Finance Committee  
May 28, 1997 Finance Committee Meeting

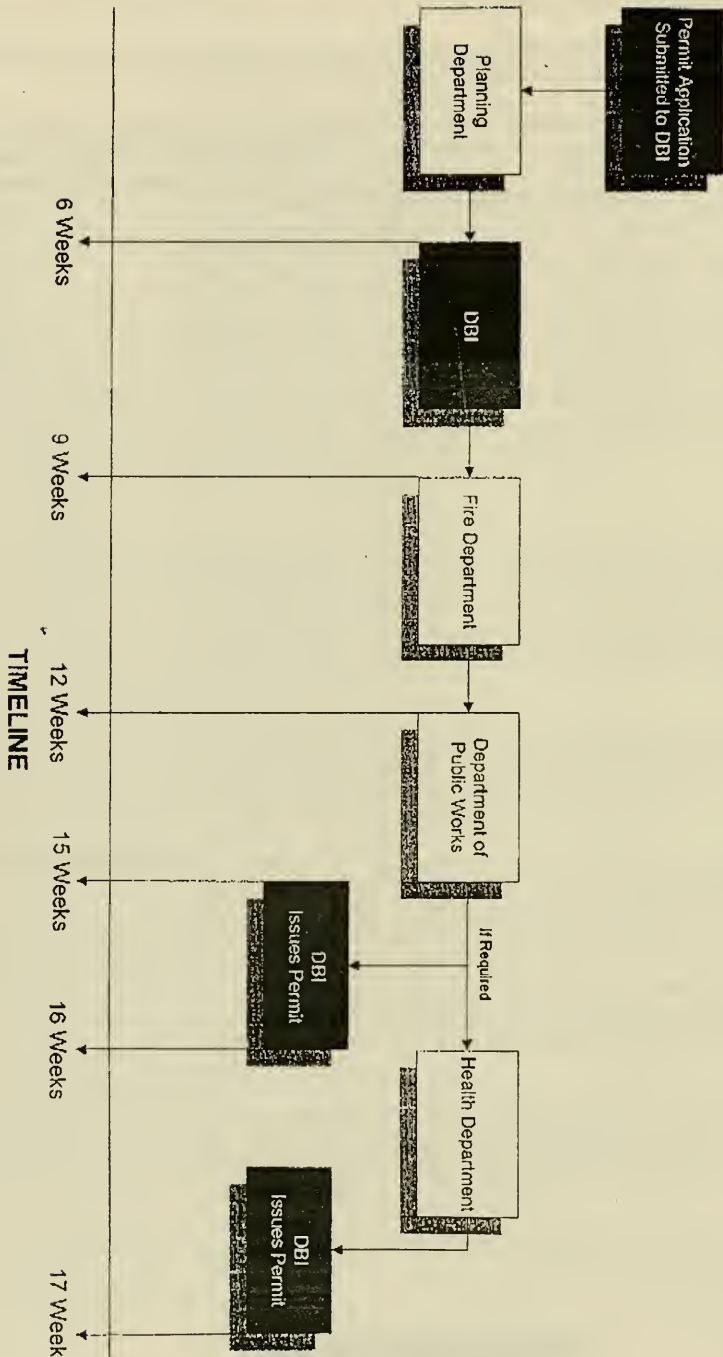
5. Approve the proposed Amendment to the Annual Salary Ordinance (File 102-96-18).

6. Request that the Department of Building Inspection submit a written report to the Board of Supervisors as to the feasibility of reducing its building permit fees based on Comments Nos. 5, 6, and 7 above.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

# SERIAL PLAN CHECK PROCESS

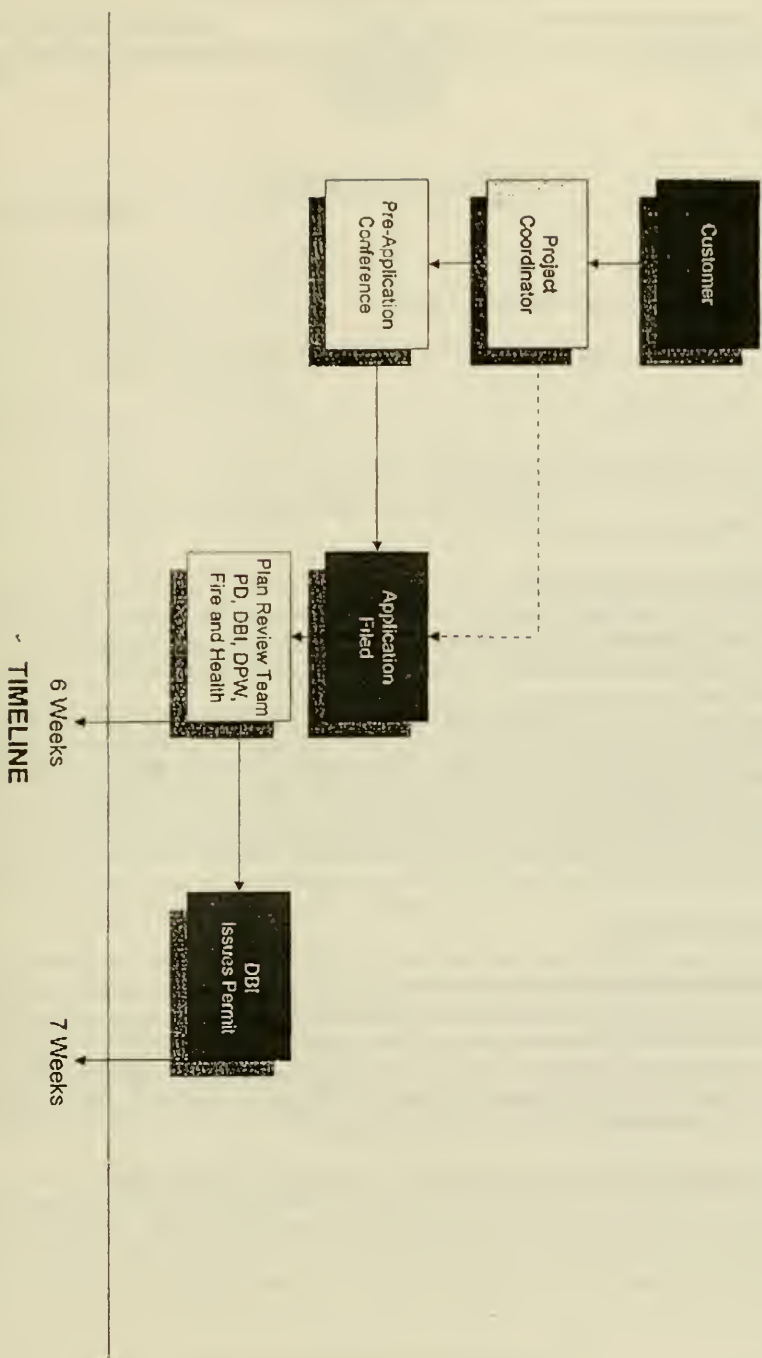
Typical New Building





# PROPOSED ONE-STOP PERMIT PROCESS

## Typical New Building



**DEPARTMENT OF BUILDING INSPECTION****City & County of San Francisco****1660 Mission Street, San Francisco, California 94103-2414****MEMORANDUM**

**TO:** Stan Jones  
Board of Supervisors Budget Analyst

**FROM:** Paulette M. Hooey *ph*

**DATE:** May 22, 1997

**SUBJECT:** DBI Supplemental Appropriation Request

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Here is the information you requested.

**EQUIPMENT AND FURNITURE**

The cost of the equipment and furniture in the amount of \$80,000 is based on actual expenditures for this fiscal year for like equipment. The department bought workstations at a cost of \$4,337 each, workstation electrical wiring at \$750 each, chairs at a cost of \$445 each, and small file cabinets at a cost of \$367 each. The total cost for each workstation is \$5,900 plus 10% to modify the workstation style from the current stationary type to a moveable type for a total of \$6,490 each therefore, 10 such workstations would cost a total of \$64,900. The remainder of the \$80,000 request or \$15,100 is for additional furniture such as chairs for customers, large section file cabinets, plan review tables, and conference tables.

**COMPUTER EQUIPMENT**

The cost of the computer equipment in the amount of \$168,000 is based on actual expenditures for this fiscal year for like computer equipment. The department bought computers at a cost of \$3,600 each, printers at \$3,934 each. The total for the One Stop Permit Center is \$36,000 for 10 computers, and one printer for a total of \$39,934. The cost for the Department of Planning's computer equipment is based on vendor price quotes for a total of \$127,781 for 13 computers and monitors, a printer, a server, and associated software.

If you have any questions or need more information, please call me at 558-6239.

CITY AND COUNTY OF SAN FRANCISCO  
DEPARTMENT OF BUILDING INSPECTION




OFFICE OF THE DIRECTOR  
*Frank Y. Chiu*  
DIRECTOR

MEMORANDUM

DATE: May 22, 1997

TO: Harvey Rose  
Budget Analyst for the Board of Supervisors  
Attention: Stan Jones

FROM:  Frank Y. Chiu  
Director

RE: Department of Building Inspection Surplus Funds

The Department of Building Inspection (DBI) has two kinds of reserved funds. The first consists of a **surplus currently estimated at \$4.7 million**. This represents approximately \$1.6 million that has accumulated for each of the last two years (\$3.2 million combined total) and an anticipated \$1.5 million that will have accumulated by the end of fiscal year 96/97.

During the last three years the Department's focus has been on streamlining our operations. With the passage of Proposition G in November 1994, we were able to eliminate nine management positions and downgrade them to line staff positions. This effectively reduced the bureaucracy and gave greater accountability to the staff for decision making. The Department has also invested our resources in an updated computer database with a focus on computer automation of routine tasks. During this time, DBI has continued to monitor our expenditures and practice fiscal conservation. These combined operations have proven so effective that DBI was able accumulate this small surplus in funds during each of the last three years.

The Department recognizes that the quality of our service is our most valuable product. When that quality is due in part to an increase in efficiency, then we have succeeded at one of our tasks. Success however is not a static state. Our challenge is to develop new ways of providing better service to our customers. The surplus that we have accumulated over the last three years through more efficient methods is the key to our future success. The Department is committed to continuing to raise the quality of our services through the implementation of the One-Stop Coordination Program. The surplus funds are the means of achieving this goal.

The second type of reserved fund is known as a deferred credit. This **deferred credit currently equals approximately \$4.9 million** and is in addition to the surplus of \$4.7 million. The income and expenditures for DBI revolve around permit issuance and field inspection. Since permit fees are paid up front at the time a permit is issued, DBI reserves the funds to pay for the long term expenses that arise from inspection costs. The permit issued today for a large project such as a

**MEMO to Harvey Rose**

May 22, 1997

Page 2 of 2

new building will provide us with initial income but then continue to deplete our funds for the next couple of years.

DBI is currently working on a number of large projects that will require an ongoing expenditure of funds over the next five years. These types of projects include the Pacific Bell/Giants Ballpark, the Hunter's Point and Treasure Island military conversion projects, and hopefully the new 49er's Stadium at Candlestick. These large projects, in addition to the ongoing construction of new buildings discussed above, utilize monies known as deferred credit where DBI has made collection but not yet performed the work.

The Department of Building Inspection (DBI) created the Permit Center when we moved to our new building at 1660 Mission Street in 1994. At that time the goals were to improve the quality of our service by using existing resources without an increase in permit fees. The short term plan was to centralize permitting services by bringing Building Inspection, City Planning, the Fire Department, and the Department of Public Works, Bureau of Engineering all under one roof. Centralizing the services allowed our customers to work individually with all of the different departmental representatives at a single site. The long term plan was to implement the One-Stop Permit Coordination Program. This program, currently under review with the Board of Supervisors, would cut permit issuance time in half.

As the Board of Supervisors reviews our proposal, we hope they will take into consideration the Department's long term goal of increasing the quality of service that we provide to our customers without an increase in the cost of providing that service.

Item 10 - File 25-97-8

**Department:** Airport

**Item:** Resolution approving the Controller's certification that shuttle bus services for the San Francisco International Airport can continue to be practically performed by a private contractor at a lower cost for the first half of FY 1997-98, from July 1, 1997 through December 31, 1997, than if work were performed by City employees.

**Services to be Performed:** Airport Shuttle Bus Services

**Description:** Charter Section 10.104 provides that the City may contract with private firms for services which had been performed by City employees if the Controller certifies, and the Board of Supervisors concurs, that such services can in fact be performed by private firms at a lower cost than similar services performed by City employees.

The Controller has determined that contracting for Shuttle Bus Services at the San Francisco International Airport for the first half of FY 1997-98, July 1, 1997 through December 31, 1997, would result in estimated savings as follows:

	Lowest Salary Step	Highest Salary Step
<u>City-Operated Service Costs</u>		
Personnel Costs		
Salaries	\$1,246,166	\$1,289,114
Fringe Benefits	301,216	307,432
Operating Expenses	<u>426,717</u>	<u>426,717</u>
Total	\$1,974,100*	\$2,023,264*
<u>Contractual Services Cost</u>	<u>1,880,564</u>	<u>1,880,564</u>
Estimated Savings	\$93,536	\$142,699*

\* rounded

Mr. Roger Hooson of the Airport advises that the reason the Airport plans to enter into a six-month rather than a full-year contract for such services is because the Airport plans to enter into a new ten-year contract effective January 1, 1998, which will be subject to a competitive bidding process and submitted for approval to the Board of Supervisors. The Controller's Office reports that it will issue a new cost certification report for the new contract prior to the Airport's submission of the contract award to the Board of Supervisors.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. Airport Shuttle Bus Services were first certified as required by Charter Section 10.104 in 1974-75 and have been provided by an outside contractor since then. Such services consist of providing free ground transportation from Airport parking lots to the Airport and transportation between terminals for airline passengers and employees.
2. The current one-year contract with SFO Shuttle Bus Company, the company which provides Airport Shuttle Bus Services, expires June 30, 1997. The renewed six-month contract with SFO Shuttle Bus Company commences on July 1, 1997.
3. The Contractual Services Cost of \$1,880,564 used for the purpose of this analysis is the current contractor's estimate of providing the Shuttle Bus Services at the Airport for the first six months of FY 1997-98.
4. The Airport reports that SFO Shuttle Bus Company provides health care coverage to its employees and extends coverage to the spouses of its employees, and will begin providing the same benefits to domestic partners effective June 1, 1997.
5. The Controller's supplemental questionnaire with the Department's responses is attached. SFO Shuttle Bus Company is not a MBE/WBE firm.

**Recommendation:** Approve the proposed resolution.

CHARTER 10.104.15 (PROPOSITION J) QUESTIONNAIRE

Department: Airport Commission  
 Contract Services: Airport Shuttle Bus Services  
 Contract Period: July 1 to December 31, 1997

1. Who performed the activity/service prior to contracting out?

With construction of the Remote Public Parking Facility in 1975, shuttle bus service was initiated by contract. Prior to 1975, the area was utilized as a small lot for SFIA employee parking. An employee van service was provided by Airport Parking Management (APM).

2. How many City employees were laid off as a result of contracting out?

None (See #1)

3. Explain the disposition of employees if they were not laid off.

N/A (See #1)

4. What percentage of City employees' time is spent on services to be contracted out?

N/A (See #1)

5. How long have the services been contracted out? Is this likely to be a one-time or an ongoing request for contracting out?

Since 1975. The current contract commenced in 1983 for a 10-year period with up to 5 additional one-year options. The contract is currently in the 4th option year.

6. What was the first fiscal year for a Proposition J certification? Has it been certified for each subsequent year?

1974-1975. Yes, it has been certified each year since.

7. How will the services meet the goals of your MBE/WBE Action Plan?

Although this contract was not awarded to a MBE/WBE firm in 1983, it must adhere to the City's non-discrimination ordinance contained in Chapters 12B & 12C of the City's Administrative Code.

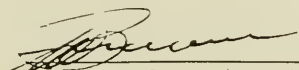
8. Does the proposed contract require that the contractor provide health insurance for its employees? Even if not required, are health benefits provided?

The contract does not require health insurance. However, the contractor provides health insurance for its employees per a labor agreement.

9. Does the proposed contractor provide benefits to employees with spouses? If so, are the same benefits provided to employees with domestic partners? If not, how does the proposed contractor comply with the Domestic Partners ordinance?

The contractor provides benefits to spouses. The contractor will provide the same benefits to domestic partners effective June 1, 1997.

Department Representative:

  
 Duke Briscoe, Deputy Airport Director - Operations

Telephone Number:

(415) 794-5010

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Revised: 28-Mar-97



Item 11 - File 69-97-1

**Department:** Board of Supervisors

**Item:** Motion directing the Clerk of the Board of Supervisors to request a supplemental appropriation and to take other steps necessary to appoint Legislative Analysts to assist and advise the Board of Supervisors on pending legislation and policy matters.

**Description:** The proposed motion would direct the Clerk of the Board of Supervisors to request a supplemental appropriation of sufficient funds and an accompanying Salary Ordinance amendment in order to establish four new positions, including a Chief Legislative Analyst and three Legislative Analysts. The Chief Legislative Analyst would be responsible for directing the work of the three Legislative Analysts. In accordance with the proposed motion, these four positions would provide independent, professional analysis of substantive legislation and issues pending before the Board of Supervisors. As stated in the proposed motion, it would be the responsibility of the Chief Legislative Analyst to determine which legislation has substantive policy considerations and to consult with the President of the Board of Supervisors regarding those priorities.

Under the proposed motion, the Clerk of the Board would be required to receive direct input from and give great weight to the recommendations of the Board President, the Controller and the Director of Human Resources regarding the qualifications of and candidates for the Chief Legislative Analyst position. In addition, the Clerk of the Board would be required to consult with and give great weight to the recommendations of the Chief Legislative Analyst regarding the qualifications of and candidates for the three Legislative Analyst positions.

In accordance with the proposed legislation, the Legislative Analyst positions would be hired at classification levels ranging from 1367 Special Assistant VIII, at a FY 1997-98 annual salary ranging from \$41,748 at the low step to \$50,661 at the high step to 1371 Special Assistant XII, at a FY 1997-98 annual salary ranging from \$55,856 at the low step to \$67,901 at the high step. The Chief Legislative Analyst would be hired at approximately the 1374 Special Assistant XV level, at a FY 1997-98 annual salary ranging from \$69,584 at the low step to \$84,566 at the high step. Under the proposed

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Memo to Finance Committee  
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motion, the Clerk of the Board would also be responsible for providing the necessary office space and equipment for the Chief Legislative Analyst and the three Legislative Analysts at 401 Van Ness Avenue.

**Comments:**

1. An estimated FY 1997-98 budget for the proposed motion is as follows:

<u>Personnel</u>	<u>Low Step - High Step</u>
1- 1374 Special Assistant XV	\$69,584 - \$84,566
1 - 1371 Special Assistant XII	55,856 - 67,901
2 - 1367 Special Assistant VIII (\$41,748 - \$50,661 per position)	<u>83,496 - 101,322</u>
Total Salaries	\$208,936 - \$253,789
 Fringe Benefits @ 21.5 percent	 44,921 - 54,565
 Salary Savings	 (51,829 - 62,946)
 <u>Equipment and Furnishings</u>	
4 - Computers	9,300
1 - Printer, including network card	1,800
1 - Fax Machine	500
4- Desks, Chairs & File Cabinets	6,800
 Miscellaneous (Office Supplies)	 5,000
 Services of Other Departments (Dept of Telecommunications)	 <u>19,100</u>
 Total	 \$244,528 - \$287,908

2. Given that it is near the end of fiscal year 1996-97, the proposed salary levels shown above reflect the increases that have been approved by the Board of Supervisors for the unrepresented Special Assistant classifications for FY 1997-98. For budgetary purposes, the office of the sponsor of the proposed motion suggested including one Special Assistant XII position and two Special Assistant VIII positions for the three Legislative Analyst positions. However, the office of the sponsor of the proposed motion reports that it is the intention to permit the 1374 Special Assistant 15, Chief Legislative Analyst to make the final determination, in consultation with the Clerk of the Board, regarding the specific classifications for the Legislative Analyst positions. The Salary Savings reflected in the proposed budget assume that the Chief Legislative Analyst would be hired as of August 1, 1997

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and the three Legislative Analysts would be hired as of October 1, 1997.

The Equipment and Furnishings costs are estimates provided to the Budget Analyst's Office by the Mr. Erasmo Vazquez of the Clerk of the Board and representatives from the Purchasing Department, based on current general costs for these items. The final specifications for equipment and furniture to be purchased for the Legislative Analyst staff will determine the actual expenses to be incurred. The Department of Telecommunications provided the estimates for the costs for the Services of Other Departments, based on their projected costs for telephone, computer and fax lines and voice mail for the four proposed positions.

3. According to the Office of the Sponsor of the proposed motion, the Mayor's Office has informed them that there is space available at 401 Van Ness, in the War Memorial Building, for the proposed four new positions. In addition, according to the Sponsor of the proposed legislation, the Department of Public Works has informed their office that there will be space available in City Hall for these four new positions after 1999, when the Board of Supervisors moves back into City Hall. Therefore, there are no additional costs included for rental expenses for the proposed new positions.

4. As reflected above, the estimated FY 1997-98 costs for the proposed legislation would range from \$244,528 to \$287,908. Due to the higher Salary Savings (a reduction in costs) in FY 1997-98, offset in part by the one-time expenses for Equipment and Furnishings and Services of Other Departments, it is estimated that the ongoing costs for the proposed legislation would range from approximately \$263,857 to \$318,354 annually.

5. The Attachment is a draft Position Description for the Chief Legislative Analyst position.

6. Given that it is near the end of the 1996-97 fiscal year, if the Board of Supervisors approves the proposed motion, the Board should request that the Clerk of the Board include between \$244,528 and \$287,908 for the four new positions as part of the Board of Supervisors annual FY 1997-98 budget, as submitted to the Mayor.

7. On May 6, 1997, the Clerk of the Board of Supervisors prepared a report entitled The Proposal to Hire Legislative Analysts. This report provided (a) background information on the proposed motion, including an analysis of the State Legislative Analyst's Office, (b) the Board of Supervisors previous experience in 1990 with creating Legislative Policy Analyst positions, (c) identifies some unanswered questions and (d) includes four recommendations to the Board of Supervisors. These four recommendations are as follows:

- The Board answer, in writing, the questions raised in the Clerk of the Board's report and include the answers in the proposed motion.
- The motion be amended to provide secretarial help.
- The Board consider hiring only one analyst as a start, to see whether it works.
- The Board not adopt the motion unless its support is unanimous or near unanimous.

**Recommendation:**

Approval of the proposed motion is a policy matter for the Board of Supervisors.

Attachment

## PROPOSED POSITION DESCRIPTION

### Chief Legislative Analyst, S.F. Board of Supervisors:

#### Duties and responsibilities:

The Chief Legislative Analyst will be responsible for providing independent analysis and background information on legislation and/or policy proposals pending before the San Francisco Board of Supervisors. The analyst will be required to identify and analyze budget and policy issues and develop options and recommendations for Board Members where possible. The Chief Analyst will be responsible for recruiting and directing a staff of three policy analysts and reporting to the Board on the progress of all such policy requests.

The Chief Legislative Analyst will be required to testify before Board committees on issues he/she has studied, as well as serve as a resource for Board members in various policy matters. The Analyst will serve as a nonpartisan policy advisor and as such, he/she must be objective, analytical, accurate and thorough. The analyst's work must be presented clearly and performed in a timely manner. Although the Chief Analyst will consult with the Board President regarding work priorities, the position will require juggling competing priorities, multiple deadlines and numerous requests for information.

#### Minimum Qualifications:

At a minimum, applicants must possess a Master's degree in public policy, public administration, public economics or a related field that includes a curriculum of economics, statistics, public finance, policy analysis and public administration. In addition, the Chief Analyst must have at least 7 years of experience in government, policy analysis and or a legislative environment. At least 5 years of experience should be in a substantive municipal or other local government environment. Experience managing other staff is highly recommended. The Chief Legislative Analyst must: (1) be skilled at balancing multiple requests as well as conflicting viewpoints on policy issues (2) be able to communicate effectively through clear and concise writing and oral presentations, (3) work well under tight deadlines and multiple priorities, (4) possess strong quantitative and analytical skills, and (5) effectively manage and direct the work of other legislative analysts.



Item 12 - File 97-97-15

**Item:** Ordinance amending Section 2.6-3 of Chapter 2, Article I of the San Francisco Administrative Code which requires that legislation, which has a fiscal impact, be reviewed by the fiscal committee of the Board of Supervisors, for purposes of amending the definition of fiscal impact to apply when an expenditure or commitment of City funds exceeds \$200,000 in any fiscal year or \$1,000,000 over a five-year period.

**Description:** Currently, Chapter 2, Article 1, Section 2.6-3 of the City's Administrative Code requires that the Clerk of the Board of Supervisors refer any ordinance or resolution to the Budget Analyst's Office to review, determine and inform the Board of Supervisors whether the legislation would have a fiscal impact on the City. After the Budget Analyst notifies the Clerk of the Board, the Clerk identifies this fiscal impact determination in the Board's file and on all Board and committee calendars.

If legislation has been assigned to a non-fiscal committee of the Board of Supervisors and it is determined that the legislation has a fiscal impact, the Clerk of the Board shall schedule the legislation for review and consideration by the fiscal committee of the Board of Supervisors. If the legislation has fiscal impact, the legislation may also be reviewed by the non-fiscal committee which the item was originally referred to. In accordance with Rule 5.6 of the Rules of the Board of Supervisors, the fiscal committee of the Board of Supervisors is the Finance Committee, except for review and approval of grants, which may be considered by any of the Board's committees, including the Finance Committee.

Under the existing legislation, fiscal impact is defined as involving City funds in any fiscal year in excess of \$10,000 or a total in excess of \$50,000 over a five-year period. Under the proposed ordinance, fiscal impact would be defined as an expenditure or commitment of City funds in any fiscal year in excess of \$200,000 or a total expenditure or commitment of City funds in excess of \$1,000,000 over a five-year period.



**Comments:**

1. The proposed ordinance would increase the amount which is used to define fiscal impact from \$10,000 per year, or \$50,000 over five years to \$200,000 per year, or \$1,000,000 over five years. The proposed ordinance would also change the definition of fiscal impact from the existing language which involves the use of any City funds, which presently includes both expenditures and revenues to be defined as only an expenditure or commitment of City funds.

2. The office of the sponsor of the proposed ordinance reports that most legislation that has fiscal impact currently is referred to the Finance Committee and under the proposed legislation, will continue to be referred to the Finance Committee. According to the office of the sponsor, the changes in the proposed legislation, would simply ensure that legislation that was initially referred to a non-fiscal committee that was later determined to have fiscal impact would not have to be referred back to the Finance Committee, unless the fiscal impact was over \$200,000 in any given fiscal year. According to the office of the sponsor, the proposed legislation would make the fiscal impact process less onerous, would remove unnecessary committee referrals and would avoid delays in hearing proposed legislation.

**Recommendation:**

Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Items 13 and 14 - File 112-97-1 and 112-97-2

**Department:** Purchasing Department

**Items:** **File 112-97-1:** Resolution designating the *San Francisco Independent* to be the official newspaper of the City for specified categories of official advertising (Type 2), for FY 1997-98.

**File 112-97-2:** Resolution designating an as yet to be determined organization to be the official newspaper of the City for specified categories of official advertising (Type 1), for FY 1997-98.

**Description:** The City's official advertising is divided into two categories:

Type 1 – Advertisements for Two or More Consecutive Days  
Official advertising which must be published on two or more consecutive days, and all official advertising which is required to be published in accordance with Section 2.103 of the Charter for special meetings of the Board of Supervisors and its standing or special committees.

Type 2 – Advertisements for Single or Non-consecutive Days  
Official advertising which must be published one time, other than one-time advertising related to special meetings for the Board of Supervisors and its standing and/or special committees, or more than one time but not more than three times per week for a specified number of weeks.

The City currently contracts with the *San Francisco Examiner* for Type 1 official advertising and with the *San Francisco Independent* for Type 2 official advertising. These contracts are due to expire June 30, 1997.

Proposition J, which was approved by the San Francisco electorate in November of 1994, in part, changed the criteria by which the City selects a newspaper to publish the City's official advertising. The Purchasing Department advises that, under Proposition J, pursuant to Section 2.81 of the Administrative Code, several criteria are considered and used to evaluate bids, on the basis of a point system. Bidders are required to submit typeset samples and other documentation for evaluation purposes. The criteria used for evaluation of bids under Section 2.81 includes (1) the cost of advertising in each newspaper (the newspaper which bids the lowest price for advertising receives additional points), (2) the level of circulation of each newspaper (the newspaper with the largest circulation receives additional points), (3) the cost of the newspaper (any newspaper with a majority of circulation

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that is free of charge to the general public receives additional points), and (4) the ownership of the newspaper (newspapers which are owned by local, minority or women-owned firms receive additional points).

**File 112-97-1:** In FY 1996-97, the Purchasing Department estimates that total costs for Type 2 official advertising in the *San Francisco Independent* will total \$686,000. According to the Purchasing Department, in response to its Invitation for Bids issued on April 1, 1997, the Department received one bid for Type 2 official advertising, from the *San Francisco Independent*. The Purchasing Department is recommending that the *San Francisco Independent* be awarded the City's Type 2 official advertising for FY 1997-98. The Purchasing Department advises that the cost per line of typeset in FY 1997-98 would be \$4.15 compared to \$3.97 in FY 1996-97, a 4.5 percent increase. The Budget Analyst estimates that, based upon the projected cost of official advertising in FY 1996-97, the total cost for FY 1997-98 will be \$716,870. Attachment 1, provided by the Purchasing Department contains the points evaluating data for the *San Francisco Independent*.

**File 112-97-2:** In FY 1996-97, the Purchasing Department estimates that total costs for official advertising in the *San Francisco Examiner* will be \$14,400. According to the Purchasing Department, in response to its Invitation for Bids issued on April 1, 1997, the Department did not receive any bids for Type 1 official advertising. Because no bids were received, the Purchasing Department is not making a recommendation regarding the award of the City's Type 1 official advertising for FY 1997-98. Instead, the Purchasing Department is presenting information to the Board of Supervisors about the *San Francisco Examiner* and *San Francisco Chronicle* newspapers. According to the Purchasing Department, the *San Francisco Examiner* and *San Francisco Chronicle* have historically been the only responsive bidders for Type 1 advertising, and appear to be the only newspapers which meet the Administrative Code's requirements for Type 1 advertising.

The Purchasing Department advises that the San Francisco Newspaper Agency (SFNA), the agent for the *San Francisco Examiner* and *Chronicle*, has offered two options to the City for FY 1997-98: (1) to extend the existing contract with the *San Francisco Examiner* at a rate of \$1.85 per line, or an increase of 3.9 percent over the current rate of \$1.78 per line, or (2) if the contract is not extended by the City, publish ads in either newspaper under the same conditions, and at the same prices, as any other retail customer. According to the

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Purchasing Department, the current retail rates for the *San Francisco Examiner* is \$6.82 per line and for the *San Francisco Chronicle* is \$7.17 per line. The Budget Analyst estimates that, if the current contract with the *San Francisco Examiner* were extended for another year at the rate of \$1.85 per line, the cost for FY 1997-98 would be \$14,962. The Budget Analyst estimates that, based upon the projected cost of official advertising in FY 1996-97, the cost for FY 1997-98 to advertise in the *San Francisco Examiner*, without an extension of the current contract, would be \$55,152 (\$6.82 per line) and in the *San Francisco Chronicle* would be \$58,032 (\$7.17 per line).

Attachment 1 contains bid data and point calculation information for the *San Francisco Examiner* and *San Francisco Chronicle* using last year's bid data and this year's prices. However the Purchasing Department advises that the Board may designate either newspaper as the Official Newspaper for Type 1, or may consider other options which are listed pages 2-3 of the letter from the Purchasing Department dated May 14, 1997 (see Attachment 2).

**Comments:**

1. The Purchasing Department states that the City Attorney has advised that the Board of Supervisors need not accept the Purchasing Department's recommendations to award contracts to the above-noted newspapers and may designate any newspaper which is qualified under the Charter and the Administrative Code.
2. On Attachment 1, in order to estimate how much the City would spend on FY 1997-98 official advertising, the Purchasing Department advises that it estimated the average total number of lines of official advertising placed by the City during a four-year period, FY 1992-93 through FY 1995-96, and multiplied by the paper's line price.
3. Attachment 3, provided by the Purchasing Department, is the list of potential bidders which were sent an Invitation to Submit Bids for both Type 1 and Type 2 official advertising.
4. The Purchasing Department advises that, in accordance with Chapter 12B of the Administrative Code, the bidders for the City's official advertising were required to provide data on the composition of their workforces and to provide copies of their affirmative action plans. According to the Purchasing Department, the single bidder for Type 2 advertising (Item 112-97-1), the *San Francisco Independent*, complied with these requirements. The Purchasing Department advises that the Human Rights Commission (HRC) is currently reviewing these materials, and that the

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Purchasing Department's recommendation is contingent upon the HRC's recommendations.

5. According to the Purchasing Department, pursuant to Section 2.81-2(a) of the Administrative Code, 90 percent of the cost of official advertising will be paid to the Official Newspapers and 10 percent will be withheld and placed into a revenue fund to pay for outreach advertising which are weekly advertisements placed in periodicals designated by the Board of Supervisors. In addition, any money which was withheld and not expended in previous years will be carried forward and available for future outreach advertising.

6. According to Mr. Ted Lakey of the City Attorney's office, if the Board of Supervisors selects an official newspaper of the City for Type 1 official advertising, for FY 1997-98, the proposed resolution, Item 112-97-2, must be amended by the Board of Supervisors to reflect that designation.

- Recommendations:**
1. If the Board of Supervisors selects an official newspaper of the City for Type 1 official advertising, for FY 1997-98, amend the proposed resolution (Item 112-97-2) to reflect that designation.
  2. Approval of the proposed resolutions, as amended, is a policy matter for the Board of Supervisors.



## Exhibit B

Bid Data and Point CalculationType 1, Consecutive Day (Last year's bid data)

No bids were received for Type 1 advertising. The calculations for the Chronicle and Examiner were made using last year's bid data, this year's prices, and assuming the Examiner's contract is extended.

	Avail. Points	<u>Chronicle</u>		<u>Examiner</u>	
		<u>Data</u>	<u>Pts</u>	<u>Data</u>	<u>Pts</u>
Cost of Sample	15	None	3.9	None	15
Home Circ., SF	10	519,480	10	167,200	3.22
Price, if zero	5	50c	0	25c	0
Locally owned	2	yes	2	yes	2
Minority owned	2	no	0	no	0
Woman owned	<u>2</u>	no	<u>0</u>	no	<u>0</u>
Total	36		15.9		20.22
Ranking			2		1
Cost per line			\$7.17		\$1.85
FY Estimated cost			\$103,500		\$27,000

Type 2, Nonconsecutive Day (Current year's bid data)

	Avail. Points	<u>Independent</u>	
		<u>Data</u>	<u>Pts</u>
Cost of Sample	15	\$664.00	15
Home Circ., SF	10	321,986	10
Price, if zero	5	zero	5
Locally owned	2	yes	2
Minority owned	2	yes	2
Woman owned	<u>2</u>	no	<u>2</u>
Total	36		36
Ranking			1
Cost per line			\$4.15
FY Estimated cost			\$640,500

Notes

The bidder did not qualify for a bid preference bid preference under the MBE/WBE/LBE Ordinance.

97-OF-AD, "B"

## City and County of San Francisco

## Purchasing Department



May 14, 1997

To: John L. Taylor  
Clerk of the Board

Through: Steve Nelson  
Director of Administrative Services

From: Edwin M. Lee *all*  
Director of Purchasing

Subject: Resolutions Designating Official Newspapers for FY 97-98

Summary

In accordance with §2.81 of the Administrative Code, I am reporting to the Board the results of Purchasing's request for bids for Official Advertising. Purchasing has prepared the enclosed resolutions for the two categories of advertising.

This memo describes the process of evaluating bids for Official Advertising, the major issues encountered, and the Board's options. A corresponding report on the results for the bid for Outreach Advertising will be submitted separately.

As required by the Admin. Code, Purchasing is recommending the San Francisco Independent as the Official Newspaper for Type 2, nonconsecutive day advertising. Because no bids were received for Type 1, consecutive day advertising, Purchasing is not making a recommendation for Type 1. Instead, Purchasing is presenting information about the Chronicle and Examiner, which have historically been the only responsive bidders for Type 1, and appear to be the only newspapers which meet the Admin. Code's requirements for Type 1 advertising. Although the newspapers did not bid, the San Francisco Newspaper Agency (SFNA), agent for the Examiner and Chronicle, has offered two options to the City: 1) extend the existing contract with the Examiner; and 2) if the contract is not extended by the City, publish ads in either newspaper under the same conditions, and at the same prices, as any other retail customer. In this situation, the Board may designate either newspaper as the Official Newspaper for Type 1, or may consider other options presented in the "Bid Summary, Type 1 Consecutive Day," on the next page. It appears that option 5 offers the most practical alternative.

Pursuant to the Admin. Code, Purchasing calculated the points for the Independent using its current bid. For information purposes, we calculated points for the Examiner and Chronicle using last year's bid data and the pricing offered this year. A summary of the calculations follows:

	Type 1:	Type 1: last year's bid data		Type 2: current bid data
	Option to Extend Examiner's contract	Chronicle	Examiner	Independent
Total Points	Not applicable	15.9	22.22 <i>10.82</i>	36
Ranking	Not applicable	2	1	1
Cost per line	\$1.85	\$7.17	<del>\$1.85</del>	\$4.15
Est. Cost	\$27,000	\$103,500	\$98,500	\$640,500

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The total estimated cost for Type 1 for the Examiner under a contract extension is \$27,000, and \$98,500 without an extension. The estimated cost of Type 1 for the Chronicle is \$103,500. The estimated cost for Type 2 for the Independent is \$640,500. Ten per cent of the total of Type 1 and Type 2 would be available for Outreach Advertising.

#### Schedule

The current contracts for Official Advertising will expire June 30, 1997 and new Official Newspapers must be designated prior to July 1. To meet this June 30 deadline, please calendar these resolutions to allow time for Committee meetings, Board approval, signature of the Mayor, and notification to City departments. Due to the unusual situation for Type 1 advertising, more than one Committee meeting could be necessary.

#### Definition of the Two Types of Advertising

The City places two kinds of advertising, which have historically been designated Type 1 and Type 2. A shorthand description of them is: Type 1 is consecutive day advertising; and Type 2 is nonconsecutive day advertising. For Type 1 advertising, the Official Newspaper must publish at least 5 days a week. For Type 2 advertising, the Official Newspaper must publish at least 3 days a week.

The formal definitions are as follows. Type 1 advertising is that which must be published on two or more consecutive days or which must be published in accordance with §2.103 of the Charter. Type 2 advertising is that which must be published one time other than by §2.103 of the Charter, and all other official advertising required more than one time, but not more than three times a week.

Two sample ads, one for each type of advertising, appear in Exhibit A, "Samples of Type 1 and Type 2 Advertising."

#### Bid Summary

Bidders were required to submit typeset samples and other documentation for the evaluation of points pursuant to Admin. Code §2.81. No bids were received for Type 1 advertising and one bid was received for Type 2 advertising. Purchasing received an offer from the SFNA, agent for the Examiner and Chronicle, to provide Type 1 advertising under two options. The details of the offer are explained below in options 4 and 5. Exhibit B is a detailed presentation of bid data (this year and last) showing how the points were calculated.

#### Type 1, Consecutive Day

Because no bids were received for Type 1 advertising, Purchasing is unable to make a recommendation pursuant to the guidelines in §2.81. The following options are presented for the Board's consideration. It appears that Option 5 offers the most practical, timely and economical solution.

#### Options:

1. No Official Newspaper for Type 1. The Board could choose not to have an Official Newspaper for Type 1 advertising. Purchasing does not recommend this option because of the City's need for Type 1 advertising for scheduling special meetings of the Board, Committees, and certain consecutive day advertising such as bond issuances and special elections.
2. Rebid with the same bid requirements. The Board could direct Purchasing to rebid Type 1 using the same bid requirements. However, the SFNA has said that the newspapers chose not to bid on

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the current bid and would not bid if there were a rebid. Purchasing contacted other potential bidders and found that only the Examiner and the Chronicle meet the Admin. Code's requirements for circulation of 50,000 per week, consecutive day publication, and printed in the City. Therefore, Purchasing does not recommend this option because it is almost certain no responsive bids would be received.

3. Rebid and relax some of the requirements of the Admin. Code, such as weekly circulation of 50,000 per week, consecutive day publication, or printed in City, so additional newspapers would meet the requirements. Because these requirements are in Admin. Code §§2.80 and 2.81 and were passed by the voters, it would require voter approval to relax these requirements. Purchasing does not recommend this option because of the complexity and time requirements of obtaining voter approval.
4. Designate the Examiner or Chronicle as the Official Newspaper for Type 1 advertising, because they are the only known newspapers that meet the Admin. Code's requirements for circulation of 50,000 per week, consecutive day publication, and printed in the City. Although the newspapers did not bid, the SFNA, agent for the Examiner, offered to extend the current contract at the rate of \$1.85 per line. If the City does not extend the contract, the SFNA has offered to publish ads for the City under the same conditions, and at the same prices, as any other retail customer. Under these conditions, if the Chronicle were designated as the Official Newspaper for Type 1, the newspaper would not be subject to any of the City's terms and conditions required in the bidding process. This would also apply to the Examiner if it were designated, without an extension of the existing contract.
5. Designate the Examiner as the Official Newspaper for Type 1 advertising by extending the current contract. Under this option, the SFNA offers to sign a one page contract extension, which would extend the contract for one year, revise the price per line to \$1.85, incorporate the existing terms of the agreement, and add two new terms which were included in the last bid: Prohibiting City Business with Burma, and Contractors Doing Business with the City Prohibited from Making Contributions. We are also discussing the SFNA's ability to comply with the Equal Benefits Ordinance and hope to have more information on this subject prior to the Committee meeting.

It appears this option is the most practical, timely, and economical method to meet the City's needs for Type 1, consecutive day advertising.

Following are some of the advantages of each of the newspapers:

Examiner: extending the current contract

- Using the Admin. Code's criteria for calculating points, last year's bid data, and this year's pricing, the Examiner had a higher point score than the Chronicle. Last year's data was used because no current data was available.
- If the contract with the Examiner is extended, the cost is \$1.85 per line, instead of \$7.17 per line for the Chronicle. The estimated cost difference for FY 97-98 is \$76,500.
- If the contract is extended with the Examiner, the City will have a contract with the City's terms and conditions.
- The Examiner has historically been designated the Official Newspaper for Type 1 advertising.

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### Chronicle

- The Chronicle has a higher weekly circulation for home delivery; 519,480 (Mon-Sat) for the Chronicle, as compared to 167,200 (Mon-Sat) for the Examiner.

### Type 2, Nonconsecutive Day

One bid was received for Type 2 advertising, from the Independent. Pursuant to the Admin. Code, Purchasing is recommending the Independent as the Official Newspaper for Type 2, nonconsecutive day advertising.

### Equal Benefits Ordinance

Purchasing's March 18 memo advised the Board that because the bids would be distributed and returned before June 1, they appeared to fall outside the scope of the Equal Benefits Ordinance. Because the contracts are less than two years in duration and will be awarded after June 1, they appear to fall outside the scope of Resolution 26-97. The Board was asked that if it would prefer to make the provisions of Equal Benefits a requirement, to please advise. Pursuant to the memo, the bid specifications were issued with no reference to Equal Benefits. However, Purchasing, working with the Human Rights Commission, has asked the Independent, SFNA, Examiner and Chronicle for information about their compliance with the Ordinance and hopes to have information on this subject prior to the Committee meeting.

### Bid Evaluation before and after the FY 94-95 Contract

Up to and including FY 94-95, bidders which were responsive were evaluated on their bid price alone. Purchasing recommended the lowest reliable and responsible bidder, and the Board either agreed with the recommendation, requested the transaction to be rebid, or took other action.

In November 1994, Prop. J was passed by the voters, and for the FY 95-96 contract and beyond, bid price is only one of several factors which are evaluated and weighted to determine the recommended paper. Also, Purchasing is required to recommend the paper with the highest point total. The City Attorney has advised that the Board need not accept Purchasing's recommendation and may designate any newspaper(s) meeting the Charter's requirements.

### How the Estimated Cost of the Contract was Calculated

To estimate how much the City would spend on advertising, Purchasing estimated the number of lines of advertising and multiplied by the paper's line price.

To estimate the lines of advertising for FY 97-98, Purchasing used the average of the total lines of ads placed from FY 92-93 through FY 95-96. For each paper, the number of lines was adjusted to compensate for the papers' different methods of typesetting. (The same ad would require a different number of lines in the Independent than it would in the Chronicle or Examiner.)

### The Estimated Cost includes Official Advertising and Outreach Advertising

Pursuant to §2.81-2(a) of the Admin. Code, 90% of the cost of Official Advertising will be paid to the Official Newspapers and 10% will be withheld and placed into a revenue fund to pay for Outreach Advertising. In addition, any money which was withheld and not spent in previous years will be carried forward and available for future Outreach Advertising.



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### Other Issues

#### 1. On What Days Departments Should Advertise

Section 2.81-1 reads in part:

"If the circulation of the official newspaper(s) varies by day or the cost of advertising varies by day, the Purchaser shall direct all City departments to advertise in those editions of the newspaper(s) with the greatest circulation and the lowest advertising cost."

For Type 1, last year's statistics showed a conflict between highest circulation and lowest cost. The Examiner's (and Chronicle's) circulation on Sunday are higher but the price is also higher. As a result, Purchasing plans to advise departments to advertise on Monday through Saturday.

For Type 2, the Independent's bid price is the same for its Tuesday, Thursday and Saturday editions, but the circulation varies. The Independent's audit report of its circulation shows very little San Francisco home circulation on Thursday. As a result, Purchasing plans to direct departments to advertise on Tuesday (S.F. home circ. 196,506) and Saturday (121,650), and not on Thursday (120).

These are similar to the same recommendations made last year about low circulation on a specific day. If the Board would prefer Purchasing to give different direction to City departments, please advise.

#### 2. Current and Historical Data on Bid Prices and Spending

Purchasing has gathered information on bid prices and spending for Official Advertising from FY 92-93 to the present. The information is presented in Exhibit C, "Type 2 Bid Prices, Sample Ad Prices, and Spending, FY 92-93 to FY 97-98." Following is a summary from the exhibit for the current FY and the bid prices (and offers) received for FY 97-98.

	<u>FY 96-97</u>	<u>FY 97-98</u>
Type 1 Cost per line: Examiner	\$1.78	\$1.85 with contract ext.; \$6.82 without ext.
Type 1 Cost per line: Chronicle	\$3.26	\$7.17
Type 2 Cost per line: Independent	\$3.97	\$4.15

#### 3. Approval of Official Newspapers' Workforce Data and Affirmative Action Plans (Chapter 12B)

The Human Rights Commission is reviewing the Chapter 12B-related materials submitted by the Independent. Purchasing's recommendation is contingent on HRC's approval of the plan. If Purchasing learns of problems in approving these documents, we will advise the Board.

### Conclusion

Purchasing looks forward to reviewing this matter with the Committee. If we can provide any additional information before the Committee meeting, please advise.

Enclosures are listed the on next page.

John L. Taylor  
May 14, 1997  
Page 6

Enclosures:

Resolution designating a "to be determined" newspaper as the Official Newspaper for Type 1, consecutive day advertising.

Resolution designating the S.F. Independent as the Official Newspaper for Type 2, nonconsecutive day advertising.

- A: Samples of Type 1 and Type 2 Advertising
- B: Bid Data and Point Calculation
- C: Type 2 Bid Prices, Sample Ad Prices, and Spending, FY 92-93 through FY 97-98

BIDDERS' LIST FOR  
OFFICIAL ADVERTISING  
Contract Proposal #95422

ASIAN WEEK  
809 Sacramento Street  
San Francisco, CA 94108

BAY AREA REPORTER  
395 9th Street  
San Francisco, CA 94103

CALIFORNIA NEWSPAPER SERVICE  
BUREAU  
1390 Market St., #1210  
San Francisco, CA 94102  
Attn: Liz Kanarek

DAILY PACIFIC BUILDER  
221 Main Street, #800  
San Francisco, CA 94105

EL MENSAJERO  
385 8th Street, Suite 203  
San Francisco, CA 94103

S.F. BANNER DAILY JOURNAL  
1390 Market Street, #1210  
San Francisco, CA 94102

SAN FRANCISCO BAY GUARDIAN  
520 Hampshire Street  
San Francisco, CA 94110

S.F. BEACON  
123 9th Street  
San Francisco, CA 94103  
Attn: Chris O'Gorman

S.F. BUSINESS TIMES  
Embarcadero Center West  
275 Battery Street, #940  
San Francisco, CA 94111

S.F. CHRONICLE  
925 Mission Street  
San Francisco, CA 94103  
Attn: Andrea Rosato

S.F. EXAMINER  
925 Mission Street  
San Francisco, CA 94103

S.F. INDEPENDENT  
1201 Evans Avenue  
San Francisco, CA 94124  
Attn: Ted Fang

S.F. WEEKLY CLASSIFIED  
425 Brannan Street  
San Francisco, CA 94107

SMALL BUSINESS EXCHANGE  
703 Market St., Suite 1000  
San Francisco, CA 94103  
Attn: Gerald Johnson

SUN REPORTER  
1366 Turk Street  
San Francisco, CA 94115

THE RECORDER  
625 Polk Street, Suite 500  
San Francisco, CA 94102

TIEMPO LATINO  
3288-21st St. Suite 9  
San Francisco, CA 94110

Item 15 - File 101-96-76

**Department:** City Attorney

**Item:** Ordinance appropriating \$943,100 of correctional facilities improvement funds for salaries, fringe benefits, and litigation costs of the City Attorney in defending the City against a claim concerning the Sheriff's New Jail Facility.

**Amount:** \$943,100

**Source of Funds:** Settlement proceeds from the City's litigation against the architectural joint venture for the Sheriff's New Jail Facility construction project, deposited to the Correctional Facilities Improvement Bond Fund.

**Description:** The City has become a party to four legal disputes involving the construction of the Sheriff's New Jail Facility (Co. Jail No. 8) located at 425 Seventh Street. In November of 1994 the Board of Supervisors approved a supplemental appropriation (File 101-94-18.1) for the City Attorney to pursue litigation against the project's architectural Joint Venture, including Williams+Tanaka and Del Campo & Maru, and 9 of their subconsultants, who were also covered under the joint ventures' "errors and omissions" insurance policy. Attachment 1 to this report includes a list of the architectural Joint Venture's subconsultants who were included in the litigation. That litigation has now been settled, and has resulted in the City's receipt of a financial settlement award of \$943,100.

Two of the architectural Joint Venture's subconsultants (Rolf Jensen & Associates, and MCT Engineers) and the Project Manager (Vanir Construction Management, Inc.) did not participate in the settled lawsuit, and are the defendants in a separate lawsuit filed by the City.

The proceeds from the \$943,100 settlement award would be expended by the City Attorney's Office to pursue the City's lawsuit related to the New Jail Facility against the remaining two architectural Joint Venture subconsultants (Rolf Jensen & Associates, and MCT Engineers) and the Project Manager (Vanir Construction Management, Inc.), and to defend the City against another lawsuit which was filed in October 1995 by Green International, the New Jail Facility project's General Contractor, and by certain of its subcontractors. The latter lawsuit is seeking financial damages of up to \$20 million from the City. The requested \$943,100 would also be used to pursue a counter-suit filed by

the City against the General Contractor, Green International, and certain of its subcontractors. All of Green International's subcontractors are listed in Attachment 1; however, not all of those listed have joined in the lawsuit against the City.

The City Attorney has estimated its total costs for the four lawsuits [(1) the settled case against the architectural Joint Venture and all but two of its subconsultants; (2) the City's pending lawsuit against the two remaining architectural Joint Venture subconsultants and the Project Manager; (3) the General Contractors' and its subcontractors' pending suit against the City, and (4) the City's pending counter-suit against the General Contractor and its subcontractors], at \$1,050,954 for the period July 1, 1996 through December 31, 1997, based on an anticipated trial commencement date for the pending lawsuits in January 1998.

This \$1,050,954 in estimated pre-trial costs is \$107,854 more than the subject supplemental appropriation request. Ms. Martie Moore of the City Attorney's Office states that this potential future shortfall of \$107,854 would be offset from existing revenues which have been allocated to the City Attorney's Office. However, the \$1,050,954 in estimated pre-trial costs would increase by \$300,000 to \$1,350,954 if the case goes to trial, according to the City Attorney's Office. Ms. Moore states that the trial costs of approximately \$300,000 would require a further supplemental appropriation to the City Attorney's office. Ms. Moore indicates that any such future supplemental appropriation for trial costs could potentially be funded from anticipated future settlement awards, as in the case of the subject supplemental appropriation request, but may require other legally available funds, including the General Fund.

**Budget:**

A summary budget for the estimated pre-trial costs of \$1,050,954 is as follows:

City Attorney staff costs	\$892,958
Balance from prior appropriation (Comment 6)	(129,128)
Contracts	250,000
Copying, transcripts, and discovery costs	<u>37,124</u>
	\$1,050,954

Attachment 2, provided by the City Attorney's Office, is a detailed explanation of the needed expenditures to support this request of \$1,050,954.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Comments:**

1. As shown in Attachment 2 to this report, the City Attorney's Office has identified \$407,832 in labor costs associated with this litigation project which accrued between July 1, 1996 and March 15, 1997, and an additional \$485,126 in anticipated future labor costs related to the litigation for the period March 15, 1997 through January 1, 1988.

According to Ms. Moore, none of the budgeted labor costs related to the litigation (a total of \$892,958 for the period July 1, 1996 through January 1, 1998) are funded from the City Attorney's General Fund budget. Ms. Moore indicates that these positions are being funded from "anticipated revenues" which regularly accrue to the City Attorney's accounts from non-General Fund sources, such as Federal or State funds, the contingency budgets of capital projects, or, as in this case, the proceeds of settled lawsuits.

Attachment 2 to this report shows the position detail for the \$485,126 in anticipated future labor costs for the period March 15, 1997 through January 1, 1998, including class numbers and wage rates. In addition, the City Attorney has identified \$407,832 in labor costs which accrued from July 1, 1996 through March 15, 1997 in connection with the litigation, consisting of 3,875 hours of staff attorney time at an average hourly rate (including overhead) of approximately \$105.24 per hour.

3. The City Attorney's estimated total cost for this project also includes \$79,742 in labor costs attributed to "overhead" and \$88,135 for "other salaries and fringes." According to Ms. Moore, these costs reflect the allocation of the City Attorney's total overhead and operating expenses, including its labor costs for support staff and senior managers, across all of the functions and projects of the City Attorney's Office. The \$167,877 (\$79,742 plus \$88,135) in indirect costs being allocated to this project is based on the actual time commitments being made to this project by the support staff and senior managers concerned, according to Ms. Moore. However, no breakdown of these indirect costs was available from the City Attorney's office.

4. The estimated budget includes \$250,000 in proposed personal services contracts. According to Deputy City Attorney Tony Flores, the following consultants have so far been identified to provide consulting services:

<u>Name</u>	<u>Purpose</u>	<u>Amount</u>
Barbara Arkhon	Project scheduling	\$50,000
Tucker Alan	Financial audit	30,000
<b>Total cost for identified consultants:</b>		<b>\$80,000</b>

According to Mr. Flores, both of the identified consultants were selected on a sole source basis based on a "litigation exception" to competitive bidding procedures, and both will provide services on a fixed price basis to perform a stipulated scope of work. Neither Barbara Arkhon nor Tucker Alan is an MBE/WBE firm, according to Mr. Flores. Mr. Flores indicates that the firm of Barbara Arkhon was selected due to a specific methodology the firm had developed for construction scheduling, and that Tucker Alan was selected because the firm offered a financial discount for its services, which are highly regarded, which made the offer highly attractive.

Consultants have not yet been selected for the following contractual services which are included in the proposed budget:

<u>Purpose</u>	<u>Amount</u>
Electrical systems engineering	\$45,000
Security systems	40,000
Fire and life safety systems	35,000
Project estimator to assess non-conforming work	20,000
Architect/Engineer to assess non-conforming work	30,000
<b>Total cost for unidentified consultants:</b>	<b>\$170,000</b>

Mr. Flores indicates that these contracts also are expected to be awarded on a sole source basis, based on the litigation exception, in order to ensure the most timely and effective choice of expert witnesses and consultants; and that they will be fixed price contracts for a stipulated scope of work.

The Budget Analyst recommends that the \$170,000 which has been budgeted as shown above for personal service contractors who have not yet been identified, be placed on reserve, pending the selection and identification of the proposed consultants, their MBE/WBE status, and submission of cost details.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

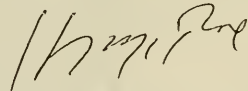
Mr. Flores states that the \$170,000 budgeted for contractual services funds should not be put on reserve because the subject litigation is entering an advanced stage, during which the timely opinions and testimony of expert witnesses will be crucial. Mr. Flores states that the ability of the City Attorney's Office to identify and retain expert witnesses would be impaired by the need to seek further approvals from the Finance Committee before awarding the proposed contracts. Mr. Flores states that the City Attorney's Office expects to employ a professional search service to assist in identifying the most appropriate expert witnesses for the subject litigation. The Budget Analyst notes that a reserve can be released expeditiously by the Finance Committee as requested by the City Attorney's Office.

5. The City Attorney has received two previous supplemental appropriations (Files 101-94-18 and 101-94-18.2) totalling \$340,000 in connection with the four lawsuits referenced above involving the Sheriff's New Jail Facility, including \$210,872 in support of the subject litigation. There is an unexpended balance of \$129,128 out of the \$340,000 in prior appropriations which will be applied to the City Attorney's estimated \$892,958 in outstanding labor costs of the subject litigation, as shown in the proposed Budget as presented above.

6. The proposed supplemental appropriation would fund personnel costs associated with this project dating from July 1, 1996, which were expended based on "anticipated revenues" to the City Attorney's Office. Therefore, the proposed appropriation ordinance should be amended to confer expenditure authority retroactive to July 1, 1996.

**Recommendation:** 1. Amend the proposed ordinance to place \$170,000 on reserve pending selection of consultants, their MBE/WBE status, and submission of contract details, as discussed in Comment 4 above.

2. Approve the proposed ordinance, as amended.



Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Steve Agostini  
Stephen Kawa  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

## City and County of San Francisco

## Office of the City Attorney



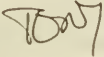
LOUISE H. RENNE  
City Attorney

ANTHONY R. FLORES  
Deputy City Attorney

DIRECT DIAL: (415) 554-3936

MEMORANDUM  
PRIVILEGED & CONFIDENTIAL

TO: File

FROM: Anthony R. Flores,   
Deputy City Attorney

DATE: MAY 22, 1997

RE: SHERIFF'S NEW JAIL FACILITY LITIGANTS

The following is a list of the litigants in the various actions and cross-actions related to the Sheriff's New Jail Facility.

**Plaintiffs and pass-through claimants against the City and County of San Francisco**

1. Stolte, a division of Green International, Inc.
2. Lera Electric, Inc.
3. Aire Sheet Metal, Inc.
4. J. Gibbs' Sons Plumbing, Inc.
5. Concord Iron Works, Inc.
6. Frederick Meiswinkel, Inc.
7. Masker Painting, Inc.
8. Harmon Contract Glass, Inc.
9. J. H. Pomeroy, Inc.
10. Garvin Fire Protection Inc.
11. Independent Sheet Metal
12. Alart Mechanical, Inc.
13. Cetco, Inc.
14. McGrath Steel, Inc.
15. EMSS, Inc.
16. Pacific Coast Trane, Inc.
17. C. E. Toland, Inc.

**Design professionals who settled with the City and County of San Francisco**

1. Del Campo & Maru
2. Williams + Tanaka
3. Central California Electronics
4. Architectural Specifications
5. Goodrich Traffic Group
6. Duane Sample Associates
7. The Cotton Group
8. Sturges & Associates
9. Patricia O'Brien, Landscape Architecture
10. Dasse Design, Inc.
11. Hesselberg, Keesee & Associates, Inc.

**Non-settling design professionals and construction manager sued by the City**

1. MCT Engineers, Inc.
2. Rolf Jensen & Associates, Inc.
3. Vanir Construction Management, Inc.



City Attorney  
New Sheriff's Facility  
Supplemental Request

Class	Salary	Fringe	Sal + Frg	% Time	Cost
8183-5	\$ 122,174	\$ 22,145	\$ 144,319	10%	\$ 14,432
8180-4	\$ 98,136	\$ 19,509	\$ 117,645	75%	\$ 88,234
8180-4	\$ 98,136	\$ 19,509	\$ 117,645	70%	\$ 82,352
8151-2	\$ 54,179	\$ 15,523	\$ 69,702	100%	\$ 69,702
Attorney Sal & Frg					\$ 254,719
1458-5	\$ 47,328	\$ 15,202	\$ 62,530	100%	\$ 62,530
Other Sal + Frg					\$ 88,135
Overhead					\$ 79,742
Time cost 3/15/97 to 1/1/98					\$ 485,126
Time cost 7/1/96 to 3/14/97					\$ 407,832
Total time cost					\$ 892,958
Copying costs					\$ 12,124
Discovery costs					\$ 25,000
Contracts					\$ 250,000
Total City Atty					\$ 1,180,082
Less balance in work order					\$ (129,128)
Amount needed					\$ 1,050,954

# CALENDAR

**Finance Committee  
Board of Supervisors  
City and County of San Francisco**

DOCUMENTS DEPT.

JUN 06 1997

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## REGULAR MEETING

WEDNESDAY, JUNE 11, 1997 → 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky

❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖ ❖

## Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

REGULAR MEETING

WEDNESDAY, JUNE 11, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 101-97-1. [Interim Annual Appropriation Ordinance, FY 1997-98] Ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 1998. (Mayor Willie L. Brown)

ACTION:

2. File 102-97-1. [Interim Annual Salary Ordinance, FY 1997-98] Interim Annual Salary Ordinance for fiscal year ending June 30, 1998, entitled "An ordinance enumerating positions in the annual budget and appropriation ordinance for the fiscal year ending June 30, 1998, continuing, creating or establishing these positions; enumerating and including therein all positions created by Charter or State law for which compensations are paid from City and County funds and appropriated in the annual appropriation ordinance; authorizing appointments or continuation of appointments thereto; specifying and fixing the compensations and work schedules thereof; and authorizing appointments to temporary positions and fixing compensations therefor." (Mayor Willie L. Brown)

ACTION:

3. File 161-97-6. [Redevelopment Agency Interim Budget, 1997/98] Resolution approving an interim budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1997-98. (Redevelopment Agency)

ACTION:

4. File 173-97-3. [Port Loan Agreement] Resolution approving and authorizing a Limited Subordinate Credit Facility between the Port Commission of the City and County of San Francisco, as borrower, and Canadian Imperial Bank of Commerce, as lender, for a loan of up to \$12,000,000 for a term of 10 years, to finance the Port Maintenance Facility Project and the proposed Caltrans Site Acquisition Project, including a limited indemnity of the Bank under such credit facility; approving and authorizing an interest rate Cap Confirmation Agreement in connection with such credit facility; and ratifying certain prior acts; companion measure to Files 101-96-83 and 101-96-84. (Port Commission) (COMPANION TO THE FOLLOWING FILES.)

ACTION:

5. File 101-96-83. [Appropriation, Port Commission] Ordinance appropriating \$7,550,000, Port Commission, of San Francisco Harbor Operating Fund Loan Revenue, to capital improvement project for relocation of the maintenance facility for fiscal year 1996-97; companion measure to Files 101-96-84 and 173-97-3. RO #96314. (Controller) (COMPANION TO THE FOLLOWING AND PRECEDING FILES.)

ACTION:

6. File 101-96-84. [Appropriation, Port Commission] Ordinance appropriating \$477,000, Port Commission, of San Francisco Harbor Operating Funds, to a capital improvement project to relocate tenants from Pier 46 for fiscal year 1996-97; companion measure to Files 101-96-83 and 173-97-3. RO #96315. (Controller) (COMPANION TO PRECEDING FILES.)

ACTION:

7. File 93-97-36. [MOU, Mediated Agreement, Bargaining Unit 11AA] Ordinance implementing the provisions of a mediated agreement between the United Association of Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 11AA to be effective July 1, 1997. (Department of Human Resources)

ACTION:

8. File 93-97-37. [MOU, Mediated Agreement, Bargaining Unit 8CC] Ordinance implementing the provisions of a mediated agreement between the United Association of Physicians and Dentists and the City and County of San Francisco for Bargaining Unit 8CC to be effective July 1, 1997. (Department of Human Resources)

ACTION:

9. File 93-97-38. [MOU, Mediated Agreement, DA Investigators] Ordinance implementing the provisions of a mediated agreement between the District Attorney Investigators Association and the City and County of San Francisco for the period July 1, 1997 through June 30, 2001. (Department of Human Resources)

ACTION:

10. File 93-97-39. [MOU, Mediated Settlement, Local 21] Ordinance implementing the provisions of a mediated settlement adopted by the arbitration panel dated May 27, 1997 amending the provisions of the Memorandum of Understanding between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco for the period July 1, 1997 through June 30, 1998. (Department of Human Resources)

ACTION:

11. File 93-97-40. [Amendment to MOU, Local 250-A] Ordinance amending Ordinance No. 223-95 to implement the provisions of an amendment to the Memorandum of Understanding between the Transport Workers Union, Local 250-A (7410 Automotive Service Worker) and the City and County of San Francisco regarding wages to be effective July 1, 1997 through June 30, 1998. (Also see File 93-95-36.1). (Department of Human Resources)

ACTION:

12. File 93-97-41. [Amendment to MOU, Local 200 (S.E.A.M.)] Ordinance amending Ordinance No. 233-95 to implement the provisions of an amendment to the Memorandum of Understanding between the Transport Workers Union, Local 200 (S.E.A.M.) and the City and County of San Francisco regarding wages to be effective for the period July 1, 1997 through June 30, 1998. (Also see Files 93-95-46 and 93-95-46.1). (Department of Human Resources)

ACTION:

13. File 93-97-42. [Amendment to MOU, Local 250-A (Multi Unit)] Ordinance amending Ordinance No. 234-95 to implement the provisions of an amendment to the Memorandum of Understanding between the Transport Workers Union, Local 250-A (Multi-Unit), and the City and County of San Francisco regarding wages to be effective for the period July 1, 1997 through June 30, 1998. (Also see File 93-95-47). (Department of Human Resources)

ACTION:

14. File 93-97-35. [MEA Arbitration Award] Ordinance adopting and implementing the provisions of an arbitrator's award dated March 31, 1997 setting the compensation of classifications represented by the Municipal Executives Association for Bargaining Units M and EM for the period July 1, 1996 through June 30, 1998. (Also see File 93-95-31). (Department of Human Resources)

ACTION:

15. File 93-97-43. [MOU, MEA, Bargaining Units M and EM] Ordinance adopting and implementing the provisions of an amendment regarding pay for performance to the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives Association for Bargaining Units M and EM for the period July 1, 1997 through June 30, 1998. (Also see File 93-97-35). (Mayor Willie L. Brown)

ACTION:

16. File 93-97-44. [MOU, Local 79, Staff Nurse/Per Diem Nurses] Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, Local 790, AFL-CIO and the City and County of San Francisco for Staff Nurse and Per Diem Nurses to be effective July 1, 1997 through June 30, 2000. (Also see File 93-97-8). (Mayor Willie L. Brown)

ACTION:



17. File 93-97-45. [MOU, Local 856, Bargaining Unit 11B] Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the Freight Checkers, Clerical Employees and Helpers, Local 856 and the City and County of San Francisco for Bargaining Unit 11B, Supervising Registered Nurses, for the period July 1, 1997 through June 30, 1998. (Mayor Willie L. Brown)

ACTION:

18. File 93-97-6.1. [MOU, Arbitrator's Award, Local 21] Ordinance implementing the provisions of an arbitrator's award dated May 27, 1997 between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, and the City and County of San Francisco providing for the arbitrable terms of implementation of the IT Study. (Supervisor Kaufman)

ACTION:

19. File 93-97-46. [MOU, Locals 790, 535, and 250] Ordinance adopting and implementing the Memorandum of Understanding between the Service Employees International Union, AFL-CIO, Locals 790, 535, and 250 and the City and County of San Francisco to be effective for the period July 1, 1997 through June 30, 2000. (Supervisor Bierman)

ACTION:

#### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 54-97-7, Board of Supervisors Community Outreach/Constituent Liaison, (Supervisor Katz), 30 day Rule expires 6/18/97.

File No. 172-97-28, Bulk Natural Gas Agreements, Ordinance, (Public Utilities Commission), 30 day Rule expires 6/27/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE  
SAN FRANCISCO BOARD OF SUPERVISORS  
401 VAN NESS AVENUE, ROOM 308  
VETERANS BUILDING  
SAN FRANCISCO, CA 94102

HEARING NOTICE

Bill Lynch  
Govt Information Ctr  
41 Main Library-Civic Center  
100 Larkin Street

25  
/97  
CITY AND COUNTY



OF SAN FRANCISCO

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

June 6, 1997

**TO:** Finance Committee  
**FROM:** Budget Analyst *Recommended for meeting*  
**SUBJECT:** June 11, 1997 Finance Committee Meeting

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JUN 11 1997

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Items 1, 2 and 3 - Files 101-97-1, 102-97-1 and 161-97-6

1. The proposed legislation would approve the Interim Annual Appropriation Ordinance (File 101-97-1), the Interim Annual Salary Ordinance (File 102-97-1) and a resolution authorizing an interim budget for the Redevelopment Agency for Fiscal Year 1997-98.

2. The annual budget process for the City and County requires that the Board of Supervisors approve an Interim Annual Appropriation Ordinance and an Interim Annual Salary Ordinance for Fiscal Year 1997-98 on or before June 30, 1997. The purpose of these interim ordinances is to provide position and expenditure authorization for the various departments of the City and County during the time that the Board of Supervisors is reviewing the Mayor's recommended budget for Fiscal Year 1997-98. The budget is scheduled to be adopted by the Board of Supervisors on July 21, 1997.

3. The Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance are based on the Fiscal Year 1997-98 proposed budget recommendations of the Mayor. Hence, these ordinances include authorization and funding for all programs and program revisions which are included in the Mayor's proposed 1997-98 budget. Each program and program revision will be reviewed in detail during the budget hearings and sessions which have been scheduled by the Finance Committee from June 17 through June 26, 1997.

4. The proposed resolution (Item 3 - File 161-97-6), approving an interim budget for the Redevelopment Agency, provides authority for the Redevelopment Agency to function under the State Community Redevelopment Law for the period from July 1, 1997 until the Redevelopment Agency's budget for FY 1997-98 is finally approved by the Board of Supervisors, as required by Section 33606 of the

State law. Approval of the proposed resolution would not constitute final approval of new positions, program expenditures, or Tax Increment Bonds for FY 1997-98.

5. As a general policy, in previous years, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review. This general policy has been implemented by instructing the Controller not to certify the availability of funds for new positions, new programs or program expansions during the interim budget period between July 1 and July 31. If an exception is approved by the Board of Supervisors, new positions can be filled effective July 1. Otherwise, new positions will generally not be filled until August 1 at the earliest.

6. The Administrative Provisions of the Interim Annual Appropriation Ordinance further state that no funds shall be allotted until August 1 for capital improvements and equipment. However, leased equipment is not subject to this provision. In certain cases, specific exceptions to these general policies have been approved by the Board of Supervisors. Exceptions have been based on such factors as new positions and programs that produce revenue or prevent major service deficiencies which would result from delays in filling new positions or starting new programs. Approval of some equipment purchases, for example, could result in cost savings.

7. The Controller has prepared revisions to the Administrative Provisions of the Annual Appropriation Ordinance (AAO). Attachment A provided by the Controller summarizes the major revisions. At the request of the Mayor, Section 34 has been added to reserve ten percent of professional services appropriations, pending release by the Mayor's Office. Also, Section 34 requires the reserve of any net unanticipated revenues or non-expended appropriations which may occur during the year. According to Steve Agostini, Mayor's Director of Finance, this provision will allow for such reserved funds to be available for General Fund expenditures that may become necessary due to Federal Welfare Reform. The Mayor's recommended Fiscal Year 1997-98 budget includes approximately \$230 million in General Fund appropriations for professional service contracts. We concur with the Controller that various other revisions to the Administrative Provisions of the AAO are not substantive.

8. The Controller has recommended minor amendments to the Administrative Provisions of the Annual Salary Ordinance (Section 1.3C, Charges and Deductions for Maintenance). A schedule of the current rates and the Controller's recommended changes in the Fiscal Year 1997-98 charges and deductions for various services, such as charges for meals and rooms at San Francisco General Hospital and the cost for meals at the O'Shaughnessy Guest Cottage, is included as Attachment B to this report. Attachment C provided by the Department of Human Resources reflects various revisions to the Annual Salary Ordinance. As shown in Attachment C, Section 1.3 of the Administrative Provisions of the Annual Salary Ordinance has been amended so that the Director of Human Resources would no longer have discretion to authorize payment of cash for overtime worked by "Z" designated employees such as management and

administrative employees. Such overtime worked could only be compensated by taking compensatory time off.

9. In past years, the Mayor's recommended Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance have, in general, been routinely approved by the Board of Supervisors, with the exception of new positions and new programs, capital improvements and equipment, as noted above.

10. At the direction of the Finance Committee and the full Board of Supervisors, the Budget Analyst has historically been instructed to analyze the Mayor's recommended budget in detail and make recommendations for reducing the Mayor's recommended budget only if such recommendations do not result in service level reductions. Budget reductions recommended by the Budget Analyst and approved by the Board, have often been used by the Board of Supervisors as a source of funds to (a) restore items deleted in the Mayor's recommended budget and/or (b) include new items in the budget based on the priorities of the Board of Supervisors. Under the new Charter, which became effective on July 1, 1996, the reallocation of any savings realized from budget reductions made by the Board of Supervisors can now be made by the Board of Supervisors without appropriation approval by the Mayor, in accordance with the priorities of the Board of Supervisors. Such amendments would be subject to Mayoral veto.

During the annual hearings to be conducted by the Finance Committee beginning next week on the Mayor's Recommended 1997-98 budget, in addition to the recommendations of the Budget Analyst, the Budget Analyst will also be reporting on the service level impacts of the expenditure increases and decreases included in the Mayor's recommended 1997-98 budget.

11. In accordance with the 1997-98 Budget Calendar, the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance are scheduled to be passed for second reading at the June 16, 1997 meeting of the Board of Supervisors. Final passage of these ordinances is scheduled for June 23, 1997.

12. The Budget Analyst has previously been advised by Mr. Burke Delventhal of the City Attorney's Office that the Board of Supervisors is required to approve the Mayor's recommended Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (and therefore the Interim Budget), subject to any additional reductions which the Board may choose to make, by no later than June 30th of each year. Mr. Delventhal has further advised the Budget Analyst that if these ordinances are not approved by the Board of Supervisors by June 30, the Controller will no longer have authority to issue payroll warrants to City and County employees or to issue other warrants to pay for any other City and County services.

Mr. Ed Harrington, the City Controller, has previously advised the Budget Analyst that he concurs with the opinion of Mr. Delventhal. The Controller would cease to issue any further City and County warrants unless the Board of

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Supervisors approves an Interim Annual Appropriation Ordinance and Interim Annual Salary Ordinance (the Interim Budget) by June 30.

13. Various exceptions have been recommended by the Mayor to the Interim Annual Appropriation Ordinance and the Interim Annual Salary Ordinance in order to permit expenditures during the interim budget period between July 1 and July 31. These exceptions requested by the Mayor are identified in Attachment D.

### Recommendations

1. As noted above, the Board of Supervisors has not approved new positions and programs during the interim budget period without detailed review unless exceptions are made. The Budget Analyst is recommending approval of the following interim exceptions as of July 1, 1997:

- one new position in the San Francisco Police Department, supported by Airport funds, to support the consolidation of the SFPD and Airport Police and six out of eight new positions in the Department of Human Services, five of which are filled and one new Assistant General Manager position that will assist the Department in meeting new Federal Welfare Reform regulations;
- 79.5 new positions in the Community Health Network (Forensics, Primary Care, and Acute Care) that are either supported by new San Francisco General Hospital revenue derived from an increase patient census, or will abate more expensive solutions to mandated staffing requirements such as the employment of outside registry nurses; and,
- a Capital Improvement Project for the Open Space - Richmond Community Center Project in order to eliminate project delays.

The Budget Analyst does not recommend approval of the following positions as of July 1, pending further review:

- one new position in the Department of Business and Economic Development and one new position in the Department of Public Works;
- 15 new positions in the Public Library; and,
- two new positions out of eight new positions requested by the Department of Human Resources. As noted above, we recommend approval of six of the eight positions for the Department of Human Resources.

The Budget Analyst believes that the following interim budget requests, for filling positions as of July 1 are policy matters for the Board of Supervisors:

- the creation of 19 new positions in the Mayor's Office (six for City Administration, nine for Special Protocol Funds and 4 for Finance and Legislative Affairs); and,
- the conversion of 2.7 formerly grant-funded positions to General Fund support in the Public Health - Disease Control/AIDS program.

2. Approve the proposed Interim Annual Appropriation Ordinance, the proposed Interim Annual Salary Ordinance and the proposed resolution approving the interim budget for the Redevelopment Agency, in accordance with the exceptions noted above.

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 6, 1997

The Honorable Board of Supervisors  
Room 308, Veterans Building  
San Francisco, CA 94102

Re: Annual Appropriation Ordinance 1997-98  
Administrative Provisions

Dear Ladies and Gentlemen:

On June 1, the proposed Annual Appropriation Ordinance for 1997-98 was sent to you. The Annual Appropriation Ordinance incorporates the Mayor's Proposed Budget and provides the basis for continuation of the City's fiscal activities pending final adoption of the budget in July. Several of the administrative provisions of this ordinance for fiscal 1997-98 are recommended for revision as shown below. I have attached a complete copy of the administrative provisions for your review marked to show the changes.

- The Mayor added Section 34, a new section, reserving ten percent of all professional services appropriations, pending release by the Mayor's Budget Office. The section also requires the reserve of any net unanticipated revenues or non-expended appropriations which may occur during the year.

Other changes clarify existing practices or add newly formed agencies such as the Treasure Island Development Authority to existing AAO provisions. These changes are not considered substantive by the Controller.

- Section 11.13 deals with adjustments to Hotel Tax revenues necessitated by bond agreements and indentures involving certain bonds issued by the Redevelopment Agency. It adds a sentence to clarify that the adjusted appropriation and transfer of funds between the City and the Redevelopment Agency shall remain in accord with the Hotel Tax Ordinance.
- Section 14 adds the Treasure Island Development Authority to the list of quasi-City agencies (along with the Redevelopment Agency and Parking Authority) whose transactions are subject to the budget and fiscal provisions of the charter.

- Section 15 (d) is added to insure that all departments, particularly those departments reorganized under the new charter have the full authority to function as intended in the budget.
- Section 24 adds a sentence to authorize the Clerk of the Board to administratively amend the Salary Ordinance to reflect the effect of MOUs or uncontested arbitration awards. Section 24 already authorizes the Controller to transfer funds and pay amounts included in such awards. This addition is procedural and insures that the Salary Ordinance conforms to current legal rates of pay.
- Section 26 provides a mechanism to pay employees their holiday pay in the unlikely event an unanticipated holiday is declared by the Governor or President.
- Sections 12.4 through 12.6 of the 1996-97 Annual Appropriation Ordinance imposed one-time restrictions on some Juvenile Probation contracts, facility maintenance expenditures for Hidden Valley Ranch School, and required a joint review of certain professional services contracts for the Human Rights Commission. These sections have not been continued in the 1997-98 Appropriation Ordinance as they are no longer required.

All other provisions from the prior year Annual Appropriation Ordinance have been retained.

Please let me know if there is additional data which would assist you.

Very truly yours,

Edward Harrington  
Controller

Attachment

cc: Steve Agostini  
Harvey Rose

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CITY AND COUNTY OF SAN FRANCISCO

OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

May 1, 1997

The Honorable Board of Supervisors  
City and County of San Francisco  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102

Attention: John L. Taylor  
Clerk of the Board

Re: 1997-98 Annual Salary Ordinance

Dear Mr. Taylor:

Attached hereto are schedules of charges and deductions for maintenance provided to employees per Section 1.3C of the Annual Salary Ordinance.

Rates for meal costs have increased by 3.8% at Juvenile Probation, 8% in the County Jails and the Jail Ward at San Francisco General Hospital and 11% at the Hetch Hetchy Boarding House. Other rates are unchanged from those currently in effect.

We have included comparative summaries of meal, lodging and laundry costs furnished to employees for the current year and those proposed for fiscal 1997-98. Costs were compiled from departmental data.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ed Harrington".

Edward Harrington  
Controller

cc: HRD - Anne Godfrey  
Budget Analyst /



	<u>1996-97</u>	<u>1997-98</u>
3. <u>ROOM:</u>		
San Francisco General Hospital		
(With the Exception of free rooms furnished to interns and residents.)		
Per bi-weekly pay period	\$180.12	\$ 180.12
Per person per night	25.73	25.73
Monthly	396.72	396.72

4. HOUSE OR APARTMENT

Unless otherwise specified, lodging for all facilities except Hetch Hetchy Project, \$50.00 per room per month, or in accordance with the recommendation of the Director Property on the request of the Department Head.

Note: Sales of meals by employers to employees are subject to state sales tax. Thus, meals sold to employees of the City and County are subject to 8.5% sales tax. The meal cost figures and 1997-98 annual salary ordinance rates stated in the schedules do not include any provisions for the 8.5% sales tax payable by the City to the State.

1. <u>MEALS</u>	<u>1996-97</u>	<u>1997-98</u>
A. Hetch Hetchy Boarding House (Except O'Shaughnessy guest cottage)		
Breakfast, per meal	\$ 5.00	\$ 5.00
Lunch, per meal	10.00	10.00
Dinner, per meal	18.00	20.00
B. O'Shaughnessy guest cottage		
Breakfast, per meal	\$ 10.00	\$ 10.00
Lunch, per meal	18.00	18.00
Dinner, per meal	25.00	25.00
Room, cottage	28.00	28.00
Room, bunk house	16.00	16.00
C. Department of Public Health		
Breakfast, per meal		
Laguna Honda Hospital	\$ 4.40	\$ 4.40
San Francisco General Hospital	4.81	4.81
Lunch, per meal		
Laguna Honda Hospital	5.74	5.74
San Francisco General Hospital	7.09	7.09
Dinner, per meal		
San Francisco General Hospital	7.62	7.62
D. Juvenile Court		
All institution , per meal	\$ 3.89	\$ 4.04
E. Recreation and Park - Camp Mather		
per meal	\$ 8.00	\$ 8.00
F. Sheriff		
County Jails #1, #2, #3, #7	\$ 0.84	\$ 0.91
County Jails #8, #9	1.07	1.12
SFGH, Ward 7D, breakfast	3.31	
SFGH, Ward 7D, lunch	4.53	
SFGH, Ward 7D, dinner	6.11	
SFGH, Ward 7D, average	4.71	5.09

2. LAUNDRY:

San Francisco General Hospital

(With the exception of the free laundering of uniforms for interns, residents, nurses, kitchen helpers and other employees.)

Per pound	\$ 0.77	\$ 0.77
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ANDREA R. GOULDINE  
HUMAN RESOURCES DIRECTOR

May 30, 1997

Mr. John Taylor  
Clerk of the Board  
401 Van Ness Avenue, Room 308  
San Francisco, CA 94102

Dear Mr. Taylor:

Attached is the Interim Annual Salary Ordinance for the fiscal year ending June 30, 1998. This document is being submitted in accordance with the provisions of Chapter 3, Sections 3.1; 3.2; 3.3; and 3.5 of the San Francisco Administrative Code relating to time for consideration of the annual budget and interim appropriation and salary ordinances.

Administrative provisions have been revised as follows:

- Section 1.1B has been revised to authorize the Human Resources Director and Department Heads to implement interest arbitration awards which become effective in accordance with Section 24 of the Annual Appropriations Ordinance.
- Section 1.3 has been amended to eliminate the discretionary authority of the Human Resources Director to remove the Z-symbol and pay overtime to FLSA exempt employees.
- Section 1.3B, Maximum rate for Part-time Services, has been removed as inmate help and student nurses are no longer employed.
- Section 1.3C has been re-numbered to 1.3B and amended to reflect changes in schedules of charges and deductions for maintenance as indicated in an earlier memo from the Controller to the Board of Supervisors.
- Section 2.3, Explanation of position indicators, has been revised to match budget instructions.

This ordinance enumerates all permanent and temporary positions created by the Mayor in submitting the proposed budget for the coming fiscal year. The information in this ordinance was taken from the budget file and is as accurate as possible given the short time period for review.

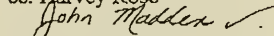
It should be noted that certain pay rates included in the document may not reflect FY 1997/98 year end rates due to negotiated wage settlements, arbitration awards, etc. Corrections will be made upon ratification of related legislation.

Very truly yours,



Andrea R. Gourdin  
Human Resources Director

cc. Harvey Rose



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**Mayor's Office:****City Administration Program**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1023N	Administrator III	1	\$64,369	\$62,953
1364N	Special Assistant V	2	81,556	82,110
1373N	Special Assistant XIV	1	78,621	79,214
1375N	Special Assistant XVI	1	91,004	91,689
1377N	Special Assistant XVIII	1	<u>100,822</u>	<u>106,149</u>
Total City Administration		6	\$416,372	\$422,115

**Mayor's Special Protocol Funds**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1363N	Special Assistant IV	1	\$31,330	\$38,184
1365N	Special Assistant VI	1	36,162	44,109
1366N	Special Assistant VII	2	87,161	94,900
1370N	Special Assistant XI	2	103,867	127,107
1371N	Special Assistant XII	1	55,883	64,408
1374N	Special Assistant XV	2	<u>139,147</u>	<u>170,329</u>
Total Mayor's Special Protocol Funds		9	\$433,550	\$539,037

**Finance & Legislative Affairs**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1367N	Special Assistant VIII	2	\$101,358	\$102,051
1369N	Special Assistant X	1	58,685	59,090
1377N	Special Assistant XVIII	1	<u>105,361</u>	<u>106,149</u>
Total Finance & Legislative Affairs		4	\$265,404	\$267,290
Total All Mayor's Office Programs		19	\$1,115,326	\$1,228,442

The proposed budget for the Mayor's Office includes a total of 19 new positions as shown above. The Mayor has requested that all 19 of these new positions be authorized during the interim budget period. The Budget Analyst consider approval of the proposed new positions in the Mayor's Office to be a policy matter.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



**Business and Economic Development:**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1363N	Special Assistant IV	1	\$37,922	\$38,184

The proposed budget for Business and Economic Development includes two new positions. The Mayor has requested that one of these new positions be authorized during the interim budget period. The Budget Analyst does not recommend this position as of July 1, pending further review.

**Public Works:**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1373N	Special Assistant XIV	1	\$72,912	\$79,214

The proposed budget for the Bureau of Street Use and Mapping includes one new position. The Mayor has requested that this new position be allowed during the interim budget period. The Budget Analyst does not recommend this position be filled as of July 1, pending further review.

**Police:**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1222N	Senior Payroll and Personnel Clerk	1	\$46,978	\$47,345

The proposed budget for the San Francisco Police Department includes 28.5 new positions, including 11.8 positions funded by the Airport in connection with the merger of the SFPD and the Airport Police. This new position, funded by Airport funds, is required to perform the payroll and personnel administration function for the Airport Police Officers that will now be part of the SFPD. The Budget Analyst recommends approval of this position as of July 1.

**Public Library:**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
3602N	Library Pages	15	\$430,500	\$467,451

The proposed budget for the Public Library includes 66.55 new positions. The Mayor has requested that 15 of this new positions be allowed during the interim budget period. The Budget Analyst does not recommend these positions on July 1, pending further review.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

**Department of Human Services:**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
2973N	Assistant General Mgr.	1	\$92,618	\$102,051
1373N	Special Assistant XIV	2	142,616	158,427
1023N	MIS Analyst	1	58,461	62,953
1375N	Special Assistant XVI	2	151,455	183,379
1452N	Executive Secretary II	1	47,894	47,894
1368N	Special Assistant IX	<u>1</u>	<u>44,888</u>	<u>54,914</u>
		8	\$537,932	\$609,618

The proposed budget for the Department of Human Services includes 82 new positions. The Mayor has requested that 8 of these new positions as shown above be allowed during the interim budget period. Of the eight positions listed, the Department advises that five of the positions (2 Class 1375 Special Assistants XVI, 1 Class 1452 Executive Secretary II, 1 Class 1368 Special Assistant IX, and 1 Class 1023 MIS Analyst) are currently filled and are transferring from the Mayor's Office. The Budget Analyst recommends approval of these already filled five positions. The Budget Analyst also recommends approval of one new Class 2973 Assistant General Manager to oversee the Department's Program Services Unit to conduct training in new Federal and State welfare legislation. This function is currently unstaffed. Therefore, the Budget Analyst recommends approval to fill a total of six positions as of July 1. However, the Budget Analyst does not recommend approval of the remaining two Class 1373 Special Assistant XIV positions as of July 1, pending further review. These positions have been requested to develop child care and job training resources in response to new Federal and State legislation.

**Department of Public Health:****Community Health Network - Forensics**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
2320N	Registered Nurse	4	\$241,895	\$241,895

Creation of these permanent positions will reduce overspending for outside registry (per diem) nurses at County Jail Number 9, the booking and intake facility at the Hall of Justice. While these new positions will not result in budget reductions, the current overspending will be alleviated because permanent nursing positions are less costly than using registry nurses. The Budget Analyst recommends approval of these positions as of July 1.

**Community Health - Public Health - Disease Control/AIDS**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1444N	Secretary	1	\$ 36,250	\$ 36,488
2822N	Health Educator	0.7	56,464	61,055
2825N	Senior Health Educator	<u>1</u>	<u>58,272</u>	<u>60,865</u>
	Total - Disease Control/Aids	2.7	\$150,986	\$158,408

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

These positions would replace positions formally funded by a State Grant which expired in January, 1997. Since that time the staff have been funded by General Fund support. The Budget Analyst considers the replacement of grant-funded positions with General Fund support to be a policy matter for the Board of Supervisors.

#### **Community Health Network - Primary Care - Ambulatory Care**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
2586N	Health Worker II	0.8	\$25,019	\$30,484
2587Q	Health Worker III	1.1	45,089	45,936
2588Q	Health Worker IV	0.8	38,462	39,170
2820S	Public Health Nurse	2.5	176,097	183,222
2328N	Nurse Practitioner	0.4	12,836	14,574
Total		5.6	\$ 297,503	\$ 313,386

These positions would replace positions formally funded by a State Grant which expired in March, 1997. Although the Budget Analyst considers the conversion of grant-funded positions to permanent positions to be a policy matter, these positions are supported by increased Federally Qualified Health Center revenue and therefore, the Budget Analyst recommends approval of the 5.6 positions as of July 1.

#### **Community Health Network - Primary Care - Health Centers**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
2903S	Eligibility Workers	26.5	\$962,164	\$1,106,640

These are requested reclassifications that would increase 1997-98 salary costs by \$31,349 annually over the cost of the 26 lower level positions they will replace. The positions are required to achieve Medical eligibility for Primary Care patients, and therefore contribute to non-General Fund revenue at the Health Centers. The Budget Analyst recommends approval of these reclassifications as of July 1.

#### **Community Health Network - Acute Care (San Francisco General Hospital)**

<u>Position Number</u>	<u>Position Title</u>	<u>Number Of Positions</u>	<u>Budgeted Amount</u>	<u>Annual Salary At Top Step</u>
1404	Clerk	.50	\$ 13,805	\$16,804
1428	Ward Clerk	1.0	33,414	40,768
2310	Surgical Procedures Technician	.80	31,033	37,876
2312	Licensed Vocational Nurse	19.1	730,180	890,837
2542	Speech Pathologist	.50	26,400	32,089
2548	Occupational Therapist	1.50	71,840	87,304
2555	Physical Therapist Asst.	1.50	58,099	70,474
2556	Physical Therapist	2.0	95,787	116,406
2320	Registered Nurse	15.50	799,232	937,342
2323	Clinical Nurse Specialist	1.0	58,517	80,779
Total		43.4	\$1,918,307	\$2,310,679

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The proposed budget for San Francisco Acute Care program includes a net increase of 3.4 new positions including the 43.4 new positions shown above, which have been substantially offset by a reduction in other positions and increased salary savings. The Mayor and SFGH have requested that the 43.4 new positions above be authorized during the interim budget period. The Budget Analyst recommends approval of these 43.4 new patient care positions as they are supported by new patient revenue added to the SFGH budget by supplemental appropriation in May, 1997, and the creation of new permanent positions will provide a higher level of staff services than the use of permanent salaries for outside registry nurses and overtime.

### Capital Improvement Project Program

#### **Open Space-Richmond Community Center Project (CRP186) \$500,000**

The planning and design phases of this multi-year project have been completed. The Department of Public Works is ready to begin the construction bidding process in June, 1997. The Mayor has requested this project in the amount of \$500,000 be allowed during the interim budget period in order to eliminate any project delays.





Items 4, 5, and 6 - Files 173-97-3, 101-96-83, and 101-96-84

**Department:** Port Commission

**Items:** **File 173-97-3:** Resolution approving and authorizing the Port Commission to enter into a loan agreement, with the Canadian Imperial Bank of Commerce as lender, in an amount up to \$12,000,000 for a term of 10 years, to finance the Port Maintenance Facility Project and the proposed Caltrans Site Acquisition Project, including a limited indemnity of the bank; approving and authorizing an interest rate cap confirmation agreement in connection with the loan agreement.

**File 101-96-83:** Ordinance appropriating \$7,550,000 from loan proceeds of the \$12,000,000 noted above, for a capital improvement project to relocate the Port's Maintenance Facility from its current location at Pier 46B to Pier 50.

**File 101-96-84:** Ordinance appropriating \$477,000 of San Francisco Harbor operating funds for a capital improvement project providing the Port with the necessary funds to relocate commercial tenants from Pier 46A to Pier 50. Funds for this purpose were advanced to the Port by the China Basin Ballpark Company (CBBC), a limited liability company controlled by the San Francisco Baseball Associates (the ownership of the San Francisco Giants) under the conditions of an Expense Payment Agreement between the Port and CBBC, approved by the Port Commission on April 22, 1997. Under this agreement, if the Port enters into a lease with the CBBC for the ballpark, the Giants will be repaid for up to \$250,000 of this advance from future rent credits, offsetting in part the rent which the CBBC must pay to the Port under a lease agreement for the Ballpark site. The lease agreement has not yet been submitted to the Board of Supervisors or the Port Commission for approval. If the Port does not enter into the lease, the advance by CBBC is non-refundable.

<b>Amount:</b>	File 101-96-83:	\$7,550,000
	File 101-96-84:	<u>477,000</u>
	Total	\$8,027,000

The Port is requesting approval to borrow up to \$12,000,000 from the Canadian Imperial Bank of Commerce. Of this amount, \$7,550,000 is the subject of the proposed supplemental appropriation ordinance (File 101-96-83). The unappropriated balance of the \$12,000,000 loan proceeds, amounting to \$4,450,000, will be the subject of a second supplemental appropriation request for the Caltrans Site

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Acquisition Project. This second project will not go forward until the environmental review process for the proposed ballpark is completed and the purchase has been approved by the Port Commission and the Board of Supervisors.

Another proposed supplemental appropriation ordinance (File 101-96-84) would appropriate \$477,000 which was advanced to the City by the CBBC (Giants), to defray costs of relocating Port tenants from Pier 46A to Piers 50A, 50B, 50C, and Pier 70.

**Source of Funds:** (1) \$7,550,000 in proceeds from a proposed commercial loan (File 173-97-3) of up to \$12,000,000 from the Canadian Imperial Bank of Commerce, and (2) a \$477,000 advance payment from the China Basin Ballpark Company (Giants) to defray the Port's costs to vacate the proposed ballpark site.

**Description:** In March 1996, San Francisco voters approved Proposition B, which established a special zoning district to permit the construction of a new baseball stadium on Port property on Pier 46 at China Basin. In order for the baseball stadium to be built, the Port of San Francisco must relocate its existing maintenance facilities from Pier 46B to Pier 50D, and to relocate 12 commercial tenants who currently occupy Pier 46A, which is the site of the future baseball stadium, to Piers 50A, 50B, 50C, and Pier 70. The Port maintains that, while it is true the Port's maintenance facility is relocating for the ballpark project, the Port has determined it would be in the Port's best interest to proceed with the relocation of the maintenance facility and use the site at Piers 46A and 46B for future development consistent with the Waterfront Plan.

The proposed resolution (File 173-97-3) would enable the Port to borrow up to \$12,000,000 from the Canadian Imperial Bank of Commerce in order to fund two projects related to the ballpark construction: (1) the Pier 46 Maintenance Facility Relocation Project, which includes the relocation of the Port's maintenance facility at Pier 46B to Pier 50D and the relocation of 12 commercial tenants now located at Pier 46A to Piers 50A, 50B, 50C, and Pier 70, and (2) the proposed Caltrans Acquisition Project, which is not a subject of the proposed legislation. Under the proposed Caltrans Acquisition Project the Port proposes to acquire a three-acre parcel which is adjacent to Pier 46]. The Pier 46 Maintenance Facility Relocation Project (including relocating commercial tenants) is the subject of both proposed supplemental appropriation ordinances (Files 101-96-83 and 101-96-84). The Port states that a separate supplemental appropriation

request will be submitted later in connection with the proposed Caltrans Acquisition Project.

**1. Proposed Commercial Loan up to \$12,000,000 (File 73-97-3)**

Because the Port has insufficient unappropriated revenue to complete the capital projects discussed herein, Port management decided that some form of debt issuance would be necessary.

As of May 21, 1997, the Port's unappropriated fund balance is \$9.46 million. It is the Port Commission's policy to retain 20 percent of their annual operating budget as a contingency reserve, and to use any surplus fund balance reserves above that amount for "pay-as-you-go" capital projects that are not revenue producing.

The Port Commission also has a policy to not fund capital projects through the use of debt unless such projects are revenue producing. Because the Maintenance Facility and Caltrans Site Acquisition projects will produce revenue from the leasing of Pier 46 to the Giants, the Port Commission decided to use debt proceeds for the proposed projects. The Port's 1996-97 budget is approximately \$33.94 million, which would require a 20 percent reserve of approximately \$6.79 million. The Port's 1997-98 budget as recommended by the Mayor is approximately \$36.86 million, which would require a 20 percent reserve of \$7.37 million. The Port last issued revenue bonds in 1984.

The Port management recommended a commercial loan, instead of revenue bonds, for the following reasons:

- Funds would be available when needed, and the Port will only borrow and repay the amount that it actually needs for the project. Revenue bonds would have to be issued in larger amounts to cover a debt service reserve and capitalized interest. The Port estimates that a revenue bond issuance of approximately \$15.3 million would be required to produce sufficient net proceeds for the Maintenance Facility and Caltrans Site acquisition project. Total debt service on this amount would be approximately \$22.9 million over ten years, in contrast to maximum estimated debt service of approximately \$17.2 million for the proposed loan of up to \$12 million.

- Only the Maintenance Facility project, amounting to \$4,589,552, or 38 percent of the total project costs, would be eligible for tax exempt bond financing;
- Taxable revenue bonds would require an interest rate of approximately 7.8 percent, whereas the Port estimates that the current term interest rate for the proposed loan would be 6.6 percent. Tax exempt revenue bonds, which could be issued for the Maintenance Facility project only, could be issued at approximately 6.0 percent. The Port assumes that the combined interest rate for a tax exempt and taxable revenue bond issuance would be 7.4 percent, and that total bond interest and redemption costs would be approximately \$22.9 million on a bond issuance of \$15.3 million as described above, in contrast to the maximum debt service of \$17.2 million for the proposed loan of up to \$12 million.
- The Port would have more flexibility to repay or refinance the loan than revenue bonds, since the loan could be prepaid on any quarterly interest payment date, instead of going through a complex bond refunding process. Under a revenue bond issuance, the Port's ability to prepay the debt would be restricted by the terms of the indenture.

The Canadian Imperial Bank of Commerce was the bank selected for obtaining the loan through a competitive Request for Proposal (RFP) process, where proposals were evaluated on the basis of loan terms, fees and total cost. The Canadian Imperial Bank of Commerce submitted the most favorable terms in their proposal, and the loan agreement was negotiated based on that proposal.

The proposed loan agreement would be subordinate to all other bonded indebtedness issued by the Port. This means that the commitment of Port revenue to repay this proposed loan could not have a higher priority than the required debt service for previously issued Port bonds, and the loan could not be "called" (i.e. immediate repayment demanded by the lender) unless all Port bonds were called by the bond Trustee first.



The terms of the proposed loan are described below:

Loan Amount: \$12,000,000

Draw Period: One year draw during construction.

Repayment Period: Ten year term; equal quarterly principal payments commencing after the draw period.

Fees:

Loan Fee \$42,000 (0.35% of the total loan commitment.

Commitment Fee: Up to \$60,000 (0.50 percent on the undrawn amount during the one year draw period.)

Bank Closing Fee: \$42,500

Interest Rates:

Interest Rate During Draw Period: LIBOR\* (presently 5.86%) plus 0.75% or Prime Rate plus 0.25%

Interest Rate on Term Loan: LIBOR plus 0.80% or Prime Rate (presently 8.5%) plus 0.40%

Default Rate: Prime Rate (presently 8.5%) plus 2.0%

Interest Rate Mitigation: Port intends to purchase an "interest rate cap"\*\*\* estimated to be fixed at between 8.5% and 9.5% which would cost the Port up to \$400,000. Price depends on interest rates at time of loan, interest rate projections and market conditions.

\* LIBOR stands for London Interbank Offered Rate, a common benchmark interest rate used for setting variable loan interest rates.

\*\* An interest rate cap is a financial instrument, analogous to an insurance policy, that would protect the Port from interest rate risk. If interest rates under the proposed loan were to rise to a point exceeding the cap, the interest over the cap amount would be paid on behalf of the Port by the Cap provider.

The proposed loan would not be subject to any prepayment penalty. If prepaid or refinanced, the Port could continue to



receive payments from the interest rate cap or the interest rate cap could be sold.

**2. Maintenance Facility Relocation Project (Files 101-96-83 and 84)**

The proposed supplemental appropriation ordinance (File 101-96-83) would appropriate \$7,550,000 in commercial loan proceeds to enable the Port (1) to vacate Pier 46B for purposes of relocating its maintenance facilities to Pier 50, where a new maintenance facility would be constructed at Pier 50D, and (2) to relocate the KSET radio transmitter and at least seven other commercial tenants, of the total of 12 commercial tenants (including the KSET radio transmitter), who will be displaced from their current location at Pier 46A. The KSET radio transmitter would be relocated to Pier 70, while the seven other commercial tenants who have agreed to be relocated would be relocated to Piers 50A, 50B, and 50C, according to Mr. Ben Kutnick, Director of Finance and Administration for the Port. Mr. Kutnick states that, as of the writing of this report, no final determination has been made whether the remaining four commercial tenants now located at Pier 46A will be relocated to Pier 50 or to other Port property.

Given that all 12 commercial tenants are required to be relocated from Pier 46A, The proposed relocations at Piers 46A and 46B will make available a total of 330,917 square feet for a site for the new Giants baseball stadium. According to the Port, the existing 170,000 square foot maintenance facility at Pier 46B provides 35,000 more square feet of usable space than the proposed new 135,000 square foot maintenance facility which would be designed and constructed at Pier 50D. As a result, the proposed budget includes \$18,000 for additional storage racks at Pier 50D.

**Budget:** The Port has provided the following budget for the proposed Pier 46 Maintenance Facility Relocation Project:

<u>Project Components</u>	<u>Amount</u>
(A) Design and Construction of New Maintenance Facility Site at Pier 50D	\$4,062,775
(B) Maintenance Facility Relocation Costs	405,450
(C) Improvements to New Site Locations for Relocation of Tenants	2,858,255
(D) Relocation of KSET radio transmitter	<u>200,520</u>
Subtotal	\$7,527,000
Loan Issuance Costs and Interest Rate Mitigation (see Comment 10):	<u>500,000</u>
Total Estimated Costs:	\$8,027,000

The source of the \$8,027,000 for these expenditures would be \$7,550,000 in proposed loan proceeds (File 101-96-83) and \$477,000 advanced by the China Basin Ballpark Company (Giants) to offset commercial tenant relocation costs (File 101-96-84). The Port's detailed budget for each of the individual project components are itemized in Attachment 1 to this report and discussed below.

**Comments:**

**(A) Design and Construction of new Maintenance Facility Site (Pier 50D Improvements):      \$4,062,775**

1. The Port's estimated cost for design and construction of a new maintenance facility is \$4,062,775. The design of the new facility is expected to be completed by the end of July, 1997, according to the Port, but has not been completed as of the writing of this report. Since the Port has already retained consultants for some design and construction activities, the proposed ordinance (File 101-96-83) should be amended to confer expenditure authority retroactive to March 1, 1996 (immediately prior to the election which approved the necessary zoning changes to construct the ballpark).

According to the Port, relocation of the maintenance facility to Pier 50D will require utility and sewer upgrades, construction of demising walls (fire retardant "firewalls") for shops, other fire safety improvements which include sprinklers, and related renovations, as itemized in Attachment 1. Mr. Alex Lee, Director of Facilities and Operations for the Port, states that the Port has received "temporary approval" from the Port's Fire Marshall to relocate the maintenance facility and commercial tenants from Pier 46 to Pier 50, even though the premises at Pier 50 currently fail to comply with applicable fire codes. Renovations to the Pier 50 premises to comply with the fire code are included as part (B) of the proposed project budget (as shown in Attachment 1 and discussed below).

As part of the \$4,062,775 estimated cost to design and construct the new maintenance facility, \$3,535,430 has been requested for contractual services (\$4,062,775 less \$177,345 in DPW services and less \$350,000 in Port expenditures) and would be paid to outside contractors who will be selected following competitive bidding procedures.

Of this \$3,535,430 amount for design and construction contractual services, the Port has so far identified Kendall Young/Beth Prior Architects, and three sub-contractors, to

perform an estimated \$276,003 in contract services. These contractors, the amounts budgeted for each contractor, and the hourly rates of each are itemized in the Port's project budget, Attachment 1. Kendall Young/Beth Prior Architects was selected to perform these services because it submitted the lowest responsive bid following competitive bidding, according to the Port. Kendall Young/Beth Prior Architects is an MBE and a WBE firm.

The Port has not yet selected contractors for the remaining \$3,259,427 in proposed contractual services (\$3,535,430 less a total of \$276,003 identified above for Kendall Young/Beth Prior Architects and three sub-contractors) to renovate Pier 50D for use as the Port's maintenance facility. The Budget Analyst recommends that this \$3,259,427 be placed on reserve by the Finance Committee pending the Port's identification of the proposed contractors, their MBE/WBE status, and the submission of final contract details.

However, Mr. Lee has requested that this remaining \$3,259,427 requested for Maintenance Facility Design and Construction contractual services not be placed on reserve by the Finance Committee because of the serious disruption he states would be caused to the project and its timeline, including (1) possible revocation of the Fire Marshall's temporary approval to occupy Piers 50A, 50B, 50C, and 50D; (2) increased potential employer liability for workplace hazards caused by the substandard facility; (3) the need to complete urgent roof repairs before the rainy season; (4) increased costs associated with the inefficient use and maintenance of Port equipment during any period of delay; (5) the possible intervention at any time of regulatory agencies who may close the Port's maintenance facility altogether; and (6) the need to implement the requirements of the U.S. Americans with Disabilities Act for access to Port facilities, particularly to the commercial tenants, as soon as possible. The Budget Analyst notes that the reserves can be expeditiously released by the Finance Committee.

**(B) Maintenance Facility Relocation Costs: \$405,450**

2. Attachment 1 includes the Port's proposed budget to physically relocate the maintenance facility from Pier 46B to Pier 50D. According to the Port, relocation of the maintenance facility from Pier 46B to Pier 50D will be handled primarily by Port employees, but the Port has budgeted \$72,788 of this \$405,450 request for as-needed roofers, sheet metal workers, electricians, and other as-

needed construction workers to assist in the physical relocation of the maintenance facility, and \$89,517 in Port overtime costs.

The as-needed labor services being requested as part of the physical relocation project budget are as follows:

Class	Hourly Rate	Hours	Amount
7345 Electrician	\$26.69	240	\$ 6,406
9343 Roofer	23.28	2,000	46,560
7376 Sheet Metal Worker	29.15	680	<u>19,822</u>
Total			\$72,788

The Port's proposed overtime expenditures are detailed in Attachment 1. According to Mr. Lee, these overtime costs are expected to result primarily from (1) the need to install utilities at Pier 50D, including electricity, plumbing, and compressed air, and (2) the need to repair the roof at Pier 50D. Mr. Lee states that these tasks must be expedited in order to bring Pier 50D into compliance with applicable fire codes as soon as possible, and because the Port is required under the term sheet agreement between the Mayor and the CBBC to deliver the ballpark site between July and September, 1997. The actual date of the move to Pier 50D is currently scheduled for mid-July, according to Mr. Lee, but could be re-negotiated between the Port and the Giants.

4. Mr. Lee states that the Port will expend an estimated \$405,450 to physically relocate shop equipment, offices and the storeroom from Pier 46B to Pier 50D. In addition the Port will expend \$4,062,775 (as discussed above) to design and construct a new maintenance facility at Pier 50D.

5. The Port's \$405,450 request to physically relocate the maintenance facility from Pier 46B to Pier 50D also includes the following proposed equipment purchases:

<u>Item</u>	<u>Amount</u>
Storage racks	\$18,000
Dust collection system (carpentry shop)	25,000
Scaffolding	7,510
Oil separator	15,000
Fixed Exhaust System (Auto shop)	18,000
DC Converter (machine shop)	<u>12,200</u>
Total	\$95,710

According to Mr. Lee, storage racks (\$18,000) are needed at the new Pier 50D location because the new location has



approximately 35,000 fewer square feet of space than the existing maintenance facility at Pier 46B. A new dust collection system (\$25,000) is needed because costs are prohibitive, according to Mr. Lee, to dismantle and relocate the existing dust removal system, which is constructed from individual panels of sheet metal attached together. Scaffolding, to access ceilings for repairs and painting, will be purchased or leased (\$7,510), whichever is more cost effective, according to Mr. Lee, based on continuing needs for scaffolding at the Port. An oil separator (\$15,000) is needed to remove oil from water that discharges into the Bay; oil separators are not currently available at Pier 50D. The budget includes three fixed exhaust system (\$18,000 total cost), which remove toxic emissions from an enclosed space, which will enable Port workers to work on three vehicles simultaneously in three indoor areas ("bays") at Pier 50D, in contrast to only one fixed exhaust system for one vehicle bay at the existing maintenance facility at Pier 46B. Finally, the request for equipment includes a DC converter (\$12,200) which converts "AC" electrical current (alternating current) to "DC" electrical current (direct current), in order to operate certain items of equipment which the Port received from the Navy. Mr. Lee states that this DC-operated equipment still has an estimated useful life of 15 to 20 years.

6. In summary, out of this portion of the request of \$405,450 for Maintenance Facility Relocation costs, \$72,788 is requested for as-needed labor services, \$89,517 is requested for overtime of Port employees, and \$95,710 is requested for equipment purchases, as shown above, for a total for these items of \$258,015. As shown in Attachment 1, the \$147,435 balance of the Port's \$405,450 request for the Maintenance Facility Relocation costs consists of \$24,772 for heavy equipment location, \$99,088 for construction materials and supplies used in roof repairs and utility installation, \$6,756 for telephone relocation, and \$16,819 for office relocation.

According to the Port, the proposed new maintenance facility at Pier 50D will improve operating efficiency by incorporating a new warehousing system, upgraded tooling, and other features.



**(C) Improvements to New Site Locations for  
Relocation of Tenants:**

<b>City share</b>	<b>\$2,381,255</b>
<b>Advance from Giants (File 101-96-84)</b>	<b><u>477,000</u></b>
<b>Total budget</b>	<b><u>\$2,858,255</u></b>

7. The Port states that it must make improvements to Piers 50A, 50B and 50C, including new roofs, sprinklers, and upgraded bathrooms accessible to persons with disabilities, in order to relocate 12 displaced commercial tenants from Pier 46A into these facilities. The Port states that the sheds at Pier 50 will require sprinklers and demising walls in order to meet current building codes.

According to Mr. Lee, the Port's Fire Marshall has granted temporary approval for the relocation of the commercial tenants from Pier 46A to Piers 50A, 50B, and 50C, even though these facilities at Pier 50 do not currently comply with applicable fire codes.

8. As shown in Attachment 1, of the \$2,858,255 requested for tenant site improvements, \$2,804,547 would fund contractual services (total \$2,858,255 tenant site improvement budget less \$53,708 for services of DPW). These contract services include the construction of demising walls and fire safety systems, removal of hazardous materials, and roofing at Piers 50A, 50B, and 50C.

The Port has selected the architectural and engineering design firm of Kendall Young/Beth Prior Architects, with three sub-contractors (as listed in Attachment 1) to perform services budgeted at \$11,260 for the proposed commercial tenant site improvements at Piers 50A, 50B, and 50C. Kendall Young/Beth Prior was selected on the basis of competitive bidding, and as noted above is an MBE and WBE firm. The hourly rates of Kendall Young/Beth Prior Architects, and its three sub-contractors for the tenant site improvements are shown in Attachment 1.

The Budget Analyst recommends that the remaining \$2,793,287 (\$2,804,547 total, less \$11,260 identified to date) be placed on reserve pending the Port's identification of the proposed contractors, their MBE/WBE status, and the submission of final contract details for this \$2,793,287 amount.

Mr. Lee has requested that this remaining \$2,793,287 requested for the tenant site improvements contractual

services also not be placed on reserve by the Finance Committee because of the serious disruption he states would be caused to the project and its timeline, as described above. The Budget Analyst notes that reserves can be expeditiously released by the Finance Committee at the Port's request.

**(D) Relocation of KSET radio transmitter      \$200,520**

9. The Port has requested \$200,520 to move a KSET radio antenna that is currently attached to the roof of Pier 46 (the Port's existing maintenance facility). According to the Port, radio station KSET will relocate the radio transmitter to Pier 70 by July 1, 1997, and the Port has agreed to reimburse KSET for the cost of the relocation.

**Loan Issuance Costs and Interest Rate Mitigation**

10. The proposed supplemental appropriation ordinance also includes \$500,000 for the loan issuance costs of the proposed \$12,000,000 loan, which would provide a source of funds for the Pier 46 relocation project. The Port indicates that the \$500,000 in loan issuance and interest rate mitigation costs are expected to be expended as follows:

<u>Loan Issuance Costs</u>	<u>Amount</u>
Bank Loan Fee (based on 0.35 percent of up to \$12 million loan)	\$42,000
Bank Legal Fees	40,000
Financial Advisor:	
Public Resources Advisory Group	10,000
Bond Counsel	
Brown & Wood w/ Law Offices of Pamela Jue	10,000
City Attorney Fees	10,000
Advertising/Official Notice	8,000
Interest Rate Mitigation costs	<u>380,000</u>
Total	\$500,000

11. According to documents submitted by the Port on the proposed loan agreement and capital projects, the Port, in early 1996, "determined that the Port's maintenance facility ... was not designed for the operations of a modern maintenance facility and lacked adequate office space for the maintenance department needs." A consultant was hired to confirm that conclusion and evaluate potential relocation sites.

Under the conditions of the term sheet agreement between the Mayor and the Giants, the Giant's will pay the Port \$1.2 million annually for the ballpark site, and be responsible for hazardous materials remediation as required by regulatory bodies for the development of the ballpark. In addition, the

Giants agreed to advance up to \$500,000 to the Port (\$477,000 of which is the subject of the proposed supplemental appropriation ordinance, File 101-96-84) for their costs for the transaction. Up to \$250,000 of this advance will be repaid to the Giants through rent credits if a lease is finalized between the Giants and the Port. The attached letter from the Port (Attachment 2) explains the basis for how this \$1.2 million annual rent payment, to be paid by the Giants to the Port, was determined.

12. The term sheet agreement further requires that the Port would be responsible for delivering the proposed ballpark site, which includes Piers 46A and 46B, free of the Port occupancies, including the Port maintenance facility and Port tenants. The Port will also be responsible for purchasing the parcel which Caltrans controls to complete assembly of the site. The Port's responsibility for purchasing the Caltrans parcel and relocating the private tenants from the property is limited to \$4.1 million.

13. At its April 22, 1997 meeting, the Port Commission adopted the Certificate of Determination of Exemption from Environmental Review ("Certificate"), which determined that the relocation of the maintenance facility and tenants from Piers 46A and 46B to Piers 50A, 50B, 50C, and 50D is exempt from the California Environmental Quality Act (CEQA).

14. On May 5, 1997, the City's Office of Environmental Review issued a Certificate of Determination of Exemption from the CEQA for the erection of a radio transmitter at Seawall Lot 349 for KEST, a tenant being relocated from Pier 46A to Pier 70.

16. The attached letter from the Port (Attachment 2) provides the Port's explanation as to why the Giants should not accept responsibility for paying 100 percent of the City's estimated \$8,027,000 cost for relocating the Port's maintenance facility on Pier 46B, and for relocating the existing tenants on Pier 46A, since one purpose of these relocations is to make the site on Piers 46A and 46B available for constructing a new baseball stadium for the Giants. As previously noted, the Port has determined it would be in the Port's best interest to proceed with the relocation of the maintenance facility and use the site for future development consistent with the Waterfront Plan.

17. The Budget Analyst considers the proposed legislation approving the loan agreement and appropriating funds to the Port Maintenance Facility Relocation project to be policy matters for the Board of Supervisors because:

- The December, 1996 "term sheet agreement" between the Mayor and the Giants will not be submitted to the Board of Supervisors for approval;
- The Environmental Impact Report for the Giants baseball stadium has not yet been submitted to the Board of Supervisors for approval; and,
- The ground lease between the Port Commission and the Giants has not yet been submitted to the Board of Supervisors for approval.

- Recommendations:**
1. Approval of the proposed resolution (File 173-97-3), authorizing and approving (1) a commercial loan to the Port of up to \$12,000,000 and (2) a related interest rate confirmation agreement, and including a limited indemnity for the bank (lendor), is a policy matter for the Board of Supervisors.
  2. Amend the proposed ordinance (File 101-96-83) to reserve a total of \$6,052,714 which was requested for contractual services (\$3,259,427 in proposed contracts for maintenance facility site improvements plus \$2,793,287 in proposed contracts for tenant relocation site improvements), pending identification of the proposed contractors, their MBE/WBE status, and the submission of final contract details.
  3. Amend the proposed ordinance (File 101-96-83) to confer expenditure authority retroactive to March 1, 1997.
  4. Approval of the proposed supplemental appropriation request (File 101-96-83), as amended, which would provide \$7,550,000 in commercial loan proceeds for the Pier 46 Maintenance Facility and Tenant Relocation Project, is a policy matter for the Board of Supervisors.
  5. Approval of the proposed supplemental appropriation ordinance (File 101-96-84), which would appropriate \$477,000 to the Port from an advance to the City by the China Basin Ballpark Company (Giants) to defray tenant relocation costs, is a policy matter for the Board of Supervisors.

## Pier 50 Maintenance Facility Relocation Project

May 30, 1997 (5)

## Costs Allocation

## Design and Construction of new Maintenance Facility site

Permit Fees	\$40,948
Parking Shelter and Ramps	\$568,630
Wash Area Containment, Separator, and sewer lines	\$110,000
Two Hour Fire Walls and Elevator (ADA)	\$375,000
Fire Main and Sprinklers	\$550,000
Heating and Sheet Metal	\$296,672
Lighting, Fire Alarm, and Security	\$563,072
Roofing and Interior Details	\$860,087
Excavation, Utilities, Fencing	\$256,278
Engineering Services	\$264,743
Hazmat	\$177,345

## Total for Design and Construction

\$4,062,775

## Maintenance Facility Relocation Costs

Heavy Equipment Relocation	\$24,772
Material and Supplies	\$99,088
Overtime	\$89,517
Equipment Purchase and Rental	\$95,710
Phone Relocation	\$6,756
As Needed Labor (Roofers, Sheet Metal Electricians)	\$72,788
Office Relocation	\$16,819

## Total for Maintenance Facility Relocation

\$405,450

## Improvements to New Tenant Sites

City Services - DPW Survey and Engineering Work	\$53,708
Consultant Services - A/E Services	\$11,260
Construction - Demising Walls, Fire Safety Systems	\$547,123
Hazmat Removal	\$528,789
Roofing - Pier 50 Sheds A, B, & C	\$1,717,375

## Total for Tenant Site Improvements

\$2,858,255

## Cost Reimbursement by Third Party

(\$477,000)

## Total for Tenant Site Improvements minus Reimbursement

\$2,381,255

## Tenant Relocation Costs

\$200,520

## Loan Amount for Facility Relocation Project Costs

Third Party Cost Reimbursement

\$7,050,000

## Total Maintenance Facility Relocation Project Costs

\$7,527,000

Port	Contractors	Vendors	DPW	Permit	Other
	\$568,630			\$40,948	
	\$110,000				
	\$375,000				
	\$550,000				
	\$296,672				
	\$563,072				
\$350,000	\$510,087				
	\$256,278				
	\$264,743		\$177,345		
		\$24,772			
		\$99,088			
\$89,517		\$95,710			
		\$6,756			
\$72,788		\$16,819			
			\$53,708		
	\$11,260				
	\$547,123				
	\$1,717,375		\$528,789		
					\$200,520
\$512,305	\$5,770,240	\$243,145	\$759,842	\$40,948	\$200,520



**Pier 50 Maintenance Facility Relocation Project**

May 15, 1997

**Port Allocation****Shed D Roofing Work**

Class	Title	Rate	Frienge	Hours	Total
7344	Carpenter	\$25.18	\$6.30	400	\$12,590
7355	Truck Driver	\$23.63	\$5.91	240	\$7,089
7376	Sheet Metal Worker	\$29.15	\$7.29	1,200	\$43,725
7514	General Laborer	\$18.21	\$4.55	950	\$21,624
9343	Roofer	\$23.28	\$5.82	5,700	\$165,870
9344	Roofer Supervisor	\$24.44	\$6.11	500	\$15,275
9345	Sheet Metal Supervisor	\$32.14	\$8.04	200	\$8,035
9363	Construction Superintendent	\$31.97	\$7.99	120	\$4,796

Total Labor Costs	<u>\$279,004</u>	\$279,004
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Material Costs (Roofing Metal, Sheet Metal, and Lumber)		\$70,996
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Rental of Dumpsters		\$10,000
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Total Costs for Shed D Roofing		<u>\$350,000</u>
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**Overtime Required for In-House Relocation**

Estimate is based on the following:

Six weekend days for all shops, with additional time for Utility and Construction shops

Class	Title	Rate	Overtime Rate	Hours	Total
7213	Plumbing Supervisor	\$32.59	\$48.89	40	\$1,955
7220	Asphalt Finisher Supervisor	\$26.05	\$39.08	32	\$1,250
7226	Carpenter Supervisor	\$31.04	\$46.56	32	\$1,490
7238	Electrician Supervisor	\$30.15	\$45.23	40	\$1,809
7242	Painter Supervisor	\$25.93	\$38.90	32	\$1,245
7258	Machinist Supervisor	\$31.20	\$46.80	32	\$1,498
7313	Automotive Machinist	\$22.98	\$34.47	20	\$689
7328	Operating Engineer	\$27.08	\$40.62	33	\$1,340
7332	Maintenance Machinist	\$24.09	\$36.14	31	\$1,120
7344	Carpenter	\$25.18	\$37.77	210	\$7,932
7345	Electrician	\$26.69	\$40.04	220	\$8,808
7346	Painter	\$22.84	\$34.26	160	\$5,482
7355	Truck Driver	\$23.63	\$35.45	210	\$7,443
7376	Sheet Metal Worker	\$29.15	\$43.73	155	\$6,777
7381	Automotive Mechanic	\$22.63	\$33.95	21	\$713
7395	Iron Worker	\$24.09	\$36.14	220	\$7,950
7404	Asphalt Finisher	\$19.19	\$28.79	60	\$1,727
7514	General Laborer	\$18.21	\$27.32	250	\$6,829
9330	Pile Worker	\$26.55	\$39.83	210	\$8,363
9332	Pile Worker Supervisor	\$29.71	\$44.57	32	\$1,426
9342	Iron Worker Supervisor	\$26.44	\$39.66	25	\$992
9343	Roofer	\$23.28	\$34.92	210	\$7,333
9344	Roofer Supervisor	\$24.44	\$36.66	28	\$1,026
9345	Sheet Metal Supervisor	\$32.14	\$48.21	29	\$1,398
9346	Fusion Welder	\$28.59	\$42.89	28	\$1,201
9360	Construction Superintendent	\$31.97	\$47.96	17	\$815
9363	Assistant Superintendent	\$37.73	\$56.60	16	\$906

Total Overtime Costs for Maintenance Relocation

26

\$89,517

\$89,517

**KYA/BPA PIER 50 NMF SCOPE OF SERVICES & COST  
(FOR ESTIMATING AND BUDGETING PURPOSE ONLY)**

Attachment 1  
Page 3 of 6

Item	Description	Total
1	<b>Parking Shelter</b>	
	KYA/BPA - Arch	\$24,485.00
	GKO - Struct	\$7,800.00
	Gayner - MP	\$0.00
	FW Assoc - Elect	\$1,220.00
	Cost	\$1,000.00
	Civil	\$0.00
	Total	\$34,505.00
2	<b>Wash Area Containment</b>	
	KYA/BPA - Arch	\$490.00
	GKO - Struct	\$0.00
	Gayner - MP	\$5,000.00
	FW Assoc - Elect	\$920.00
	Cost	\$0.00
	Civil	\$4,030.00
	Total	\$10,440.00
3	<b>Interior Improvements</b>	
	KYA/BPA - Arch	\$66,450.00
	GKO - Struct	\$5,430.00
	Gayner - MP	\$7,300.00
	FW Assoc - Elect	\$920.00
	Cost	\$0.00
	Civil	\$0.00
	Total	\$80,100.00
4	<b>Plumbing</b>	
	KYA/BPA - Arch	\$490.00
	GKO - Struct	\$0.00
	Gayner - MP	\$10,245.00
	FW Assoc - Elect	\$0.00
	Cost	\$0.00
	Civil	\$0.00
	Total	\$10,735.00
5	<b>Heating &amp; Venting</b>	
	KYA/BPA - Arch	\$490.00
	GKO - Struct	\$0.00
	Gayner - MP	\$32,335.00
	FW Assoc - Elect	\$920.00
	Cost	\$0.00
	Civil	\$0.00
	Total	\$33,745.00
5a	<b>Dust Collection</b>	
	KYA/BPA - Arch	\$0.00
	GKO - Struct	\$0.00
	Gayner - MP	\$5,000.00
	FW Assoc - Elect	\$0.00
	Cost	\$0.00
	Civil	\$0.00
	Total	\$5,000.00

# **KYA/BPA PIER 50 NMF SCOPE OF SERVICES & COST (FOR ESTIMATING AND BUDGETING PURPOSE ONLY)**

Attachment J

Page 4 of 6

Item	Description	Total
6	<b>Fire Alarm &amp; Security</b>	
	KYA/BPA - Arch	\$490.00
	GKO - Struct	\$0.00
	Gayner - MP	\$0.00
	FW Assoc - Elect	\$5,640.00
	Cost	\$0.00
	Civil	\$0.00
	Total	\$6,130.00
7	<b>Exterior Improvements</b>	
	KYA/BPA - Arch	\$40,500.00
	GKO - Struct	\$5,600.00
	Gayner - MP	\$0.00
	FW Assoc - Elect	\$0.00
	Cost	\$0.00
	Civil	\$9,263.00
	Total	\$55,363.00
8	<b>Electrical Support</b>	
	FW Assoc - Elect	\$19,500.00
	Total	\$19,500.00
9	<b>Reimbursables</b>	
	Reimbursable expenses	\$9,225.00
	Total	\$9,225.00
10	<b>Site Improvements at Sheds A,B, and C</b>	
	KYA/BPA-Arch	\$11,260.00
	Total	\$11,260.00
	<b>TOTAL</b>	<b>\$276,003.00</b>
	<b>Consultant Totals</b>	
	KYA/BPA - Arch	\$144,655.00
	GKO - Struct	\$18,830.00
	Gayner - MP	\$59,880.00
	FW Assoc - Elect	\$29,120.00
	Cost	\$1,000.00
	Civil	\$13,293.00
	Reimbursable expenses	\$9,225.00
	Total	\$276,003.00

# HOURLY RATE SCHEDULE

FIRM	RATE
Kendall Young Associates/ Beverly Prior Architects	
Principal	\$115
Deputy Principal	\$115
Project Manager	\$105
Project Coordinator	\$95
Team Leader	\$85
Senior Cad	\$55
Junior Cad	\$45
Clerical	\$35
Move Coordinator	\$95
 Telamon Engineering	
Principal	\$98
Project Engineer	\$88
Engineer	\$58
Cad Drafter	\$48
Miscellaneous	\$48
 GKO & Associates	
Project Structural Engineer	\$95
Senior Engineer	\$80
Junior Engineer	\$65
Designer	\$55
Cad Drafter	\$45
Clerical	\$35
Cost Estimator	\$85
 Gayner Engineers	
Principal	\$115
Senior Engineer	\$95
Engineer	\$85
Designer	\$75
Cad Drafter	\$55
Clerical	\$35

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NEW MAINTENANCE FACILITY

**F.W. Associates**

Principal	\$110
Prjoect Engineer	\$95
Senior Engineer	\$85
Engineer	\$75
Designer	\$65
Cad Drafter	\$60
Clerical	\$55

**Don Todd Associates**

Principal	\$125
Senior Cost Estimator	\$85
Cost Estimator	\$75
Clerical	\$45



PORT OF SAN FRANCISCO



June 6, 1997

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Writer

Harvey Rose  
Budget Analyst  
1390 Market Street  
Suite 1025  
San Francisco, CA 94102

Subject: \$12 Million Loan - Files 173-97-3; 101-96-83; 101-96-84

Dear Harvey:

You have requested a written response from the Port to the following questions:

1. "Why the Giants should not accept responsibility for paying 100 percent of the City's estimated \$8,027,000 cost to vacate Piers 46A and 46B for the purpose of constructing a new baseball (Giants) stadium?"
2. The Term Sheet provides for a purchase price for the Caltrans property not to exceed \$4.1 million, yet the Port is requesting \$4.45 million for the acquisition of the property. Will the lease address the apparent increase in costs?
3. How was the \$1.2 million rent determined?

Questions 1

The Term Sheet for the lease of the new ballpark site provides for annual rent to the Port of \$1.2 million with specific provisions for increases over the life of the proposed agreement.

Regarding the vacating of Pier 46, it is the generally accepted real estate practice that the landlord or the seller of property is responsible for delivering the site in development condition. This includes delivery of the site free and clear of tenancies, structures and hazardous materials.

Under the Term Sheet the City shall deliver the site to CBBC vacant of Port tenants and other occupancies on Pier 46, but otherwise in its "as is condition". As a result of the negotiation, the Giants have agreed to pay for the demolition and hazardous materials removal, which is reflected in the rents agreed to by the Port. Had CBBC not agreed to pay for the costs of demolition and hazardous materials removal, the rent would have been increased by a

corresponding amount.

Question 2

The Term Sheet, between the City and CBBC provided that the City will be responsible for the purchase for the Caltrans parcel and ordinary tenant relocation costs up to a maximum of \$4.1 million. The loan includes \$3.6 million purchase price plus a maximum of \$500,000 for the relocation of Caltrans tenants (any costs in excess of the \$500,000 will be paid by CBBC).

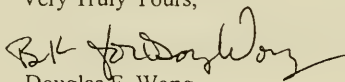
Further, on January 29, 1997, the California Transportation Commission (CTC) approved an agreement in principle on the basic terms of the purchase of the Caltrans parcel. (See attached letter 1/31/97 from Mayor Brown to the Board of Supervisors and the CTC approval).

Pursuant to the proposed condition of sale set by Caltrans, the Port will be required to pay for closing cost associated with the transaction. These costs were estimated to be \$350,000 which is not considered to be part of the purchase price, hence not included in the Term Sheet.

Question 3

The Port and CBBC negotiated in good faith to establish fair market rent for the project property. The determination of rent was determined by several factors including the condition of the property for the proposed development, the costs of the tenant for demolition and environmental remediation, the acquisition of the Caltrans property, and the current market conditions. An analysis will be presented at the time that the lease is before the Board of Supervisors for its approval.

Very Truly Yours,



Douglas F. Wong  
Executive Director

encls.

Items 7 and 8 - Files 93-97-36 and 93-97-37

**Department:** Human Resources Department (HRD)  
Employee Relations Division (ERD)

**Items:** Item 7, File 93-97-36 is an ordinance implementing the provisions of a mediated agreement between the United Association of Physicians and Dentists (UAPD) and the City and County of San Francisco for Bargaining Unit 11-AA, to be effective July 1, 1997.

Item 8, File 93-97-37 is an ordinance implementing the provisions of a mediated agreement between the UAPD and the City and County of San Francisco for Bargaining Unit 8-CC, to be effective July 1, 1997.

**Description:** The proposed ordinances (Files 93-97-36 and 93-97-37) would approve two mediated agreements with Bargaining Units 8-CC and 11-AA of the United Association of Physicians and Dentists (UAPD), negotiated by the Employee Relations Division (ERD) of the Human Resources Department (HRD) on behalf of the City. Approval by the Board of Supervisors is necessary in order for the proposed mediated agreements to be legally enforceable and binding.

The proposed agreements would cover the four-year period from July 1, 1997 through June 30, 2001. UAPD represents approximately 173 City employees in the following classifications:

<u>Bargaining Unit</u>	<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
11-AA	2233	Supervising Physician Specialist	3	\$115,258
8-CC	2210	Dentist	8	90,306
8-CC	2220	Physician	4	92,577
8-CC	2222	Senior Physician	0	97,196
8-CC	2230	Physician Specialist	41	97,196
8-CC	2232	Senior Physician Specialist	110	107,167
8-CC	2236	Medical Advisor, Health Service System	1	85,660
8-CC	2292	Shelter Veterinarian	1	69,087
8-CC	2582	Forensic Pathologist	5	138,095
		TOTAL	173	

The major new provisions, which are identical in each agreement, are summarized below.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

### **Wage Increases**

The proposed agreements provide for the following wage increases, totaling 10 percent over the four-year period of the proposed agreements, based on base salaries as of June 30, 1997:

<u>Date</u>	<u>Percentage Increase</u>
July 1, 1997	2%
December 27, 1997	1%
July 1, 1998	2%
December 28, 1998	1%
July 1, 1999	2%
July 1, 2000	<u>2%</u>
Total	10%

### **Medical Quality Incentive Program**

Effective July 1, 1998, the City would be required to implement a Medical Quality Incentive Program, under which each employee covered by the proposed agreements would be entitled to receive an incentive-based bonus on July 1, 1999 and on July 1, 2000 of up to three percent of the employee's prior year base salary. The Medical Quality Incentive Program would award employees with a bonus of up to 3.0 percent of base salary at the end of each year in return for fulfilling certain objectives and priorities related to the provision of high quality medical care. According to this new provision, these objectives and priorities would be established each year by a committee consisting of an equal number of City and UAPD representatives. This committee would also be responsible for developing the specific standards and procedures used to determine the amount of each employee's incentive bonus in any given year under the Medical Quality Incentive Program. The proposed agreements further provide that there would be a reopening on July 1, 1999 regarding the Medical Quality Incentive Program for FY 2000-2001.

### **Tuition Reimbursement Fund**

The proposed agreements would increase the annual individual tuition reimbursement limit by \$250 per employee, from \$500 to \$750 per employee per year. In addition, effective July 1, 1998, the City would be required to increase the total tuition reimbursement allocation for all 173 covered employees by \$2,500, from the current allocation of \$10,000 to \$12,500 per year.

**Reimbursement for Drug Enforcement Administration  
Registration**

The proposed agreements include a new provision requiring the City to reimburse the cost of the application fee for the Drug Enforcement Administration (DEA) Registration, up to a maximum reimbursement of \$210 for a three-year period, for any employee who is required as part of his or her official duties to administer, dispense or prescribe controlled substances and is not covered under the DEA registration of a hospital or other institution.

**Interpreter - Translator Pay**

The 25 designated bilingual employees covered by the proposed agreements are currently entitled to receive a biweekly premium of either \$35 for translating less than 10 hours or \$50 for translating 10 or more hours in any given pay period. Under the proposed agreements, these 25 designated bilingual employees would receive a biweekly premium of \$40 for translating a minimum of 10 hours during any given pay period.

**Prenatal Premium for Community Primary Care  
Physicians**

Attending Community Primary Care (CPC) physicians who are part of the Prenatal Partnership Program and who have obstetric privileges at San Francisco General Hospital (SFGH) are currently paid on a straight time basis for hours actually worked during the 24-hour period when assigned to SFGH for obstetric call for prenatal patients (an average of six to eight hours of straight time pay per 24-hour period). Under the proposed agreements, these physicians would be entitled to receive a prenatal premium of \$320 for the 24-hour period when assigned to SFGH for obstetric call for prenatal patients.

CPC physicians who elect to come to SFGH to manage and attend a patient's infant delivery when not assigned to the 24-hour period for obstetric call for prenatal patients currently do not receive any additional compensation. Under the proposed agreements, these physicians would be entitled to receive a prenatal premium of \$200 for electing to come to SFGH to manage and attend a patient's infant delivery when not assigned to the 24-hour period for obstetric call for prenatal patients.

**Health and Welfare**

Effective July 1, 1997, the City's contribution for dependent health coverage would increase by \$50 per employee per month, from \$175 to \$225 per employee per month.



Employer-paid dental coverage would continue at the existing rate for the four-year period of the agreements.

**Retirement Pickup**

The City is currently required to pick up the employee contribution to retirement by contributing 6.0 percent of each employee's gross salary for covered employees. The proposed agreements would require the City to increase its retirement pickup by (a) 0.5% on July 1, 1997 to 6.5 percent; (b) 0.5% on December 27, 1997 to 7.0%; and (c) 0.5% on July 1, 1998 to 7.5 percent.

**Duration of Agreement**

The terms of the proposed agreements would be in effect at least for the period from July 1, 1997 through June 30, 2001 (four years). Additionally, the terms of the proposed agreements would continue to be effective after June 30, 2001, unless either UAPD or the City serves written notice on the other at least 180 days prior to June 30, 2001, or June 30th of any subsequent year, of its desire to open the agreements for the purpose of meeting and conferring on proposed changes. Any such changes would be subject to approval by the Board of Supervisors.

**Comment:**

The Controller's Office estimates that the incremental costs of the proposed agreements would be \$756,078 in FY 1997-98, \$775,323 in FY 1998-99, \$878,371 in FY 1999-2000 and \$447,969 in FY 2000-01, with cumulative additional costs of \$7,554,990 over the four-year period of the agreements. The Attachment, provided by the Controller's Office, shows a breakdown of the estimated additional costs of the proposed agreements.

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Attachment A  
 United Association of Physicians and Dentists  
 Estimated Costs 1997-98 through 2000-01  
 Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>
<b>Wage Increases</b>				
2% on 7/1/97 and 1% on 12/27/97	\$448,549			
2% on 7/1/98 and 1% on 12/26/98		\$554,515		
2% on 7/1/99			\$476,051	
2% on 7/1/00				\$388,458
<b>Premium Pay<sup>1</sup></b>	29,173	0	285,631	0
<b>Wage-Related Fringe Increases</b>	66,021	82,179	116,690	59,512
<b>Retirement Pick-up</b>				
.5% on 7/1/97 and .5% on 12/27/97	134,565			
.5% on 7/1/98		138,629	0	0
<b>Dependent Health Coverage</b>	77,769	0	0	0
<b>Total Estimated Incremental Costs</b>	<u>756,078</u>	<u>775,323</u>	<u>878,371</u>	<u>447,969</u>
<b>Annual Amount Above 1996-97 Level</b>	756,078	1,531,400	2,409,771	2,857,741
<b>Cumulative Total Above 1996-97 Provisions</b>				\$7,554,990
<b>Incremental Cost % of Salary Base</b>	4.21%	4.19%	4.61%	2.31%

<sup>1</sup> Premiums include bilingual pay, pre-natal shift pay, and a Medical Quality Incentive Program bonus to be paid beginning July 1, 1999. Cost shown assumes that 50% of bargaining unit members receive full 3% bonus under this program.



Item 9 - File 93-97-38

**Department:** Human Resources Department (HRD)  
Employee Relations Division (ERD)

**Item:** Ordinance implementing the provisions of a mediated agreement between the District Attorney Investigators Association (DAIA) and the City and County of San Francisco for the period from July 1, 1997 through June 30, 2001.

**Description:** The proposed ordinance would implement the provisions of a mediated agreement between the District Attorney Investigators Association (DAIA) and the City and County of San Francisco, negotiated by the Employee Relations Division (ERD) of the Human Resources Department (HRD) on behalf of the City. Approval by the Board of Supervisors is necessary in order for the proposed agreement to be legally enforceable and binding.

The proposed agreement would cover the four-year period from July 1, 1997 through June 30, 2001. The DAIA represents approximately 53 City employees in the following classifications:

<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
8132	District Attorney Investigator Assistant	12	\$42,439
8146	District Attorney's Investigator	22	55,436
8147	Senior District Attorney's Investigator	17	60,265
8149	Assistant Chief District Attorney's Investigator	<u>2</u>	64,180
	TOTAL	53	

The major new provisions are summarized below.

### Wage Increases

The following increases in base salary, totaling 18 percent over the four-year period of the agreement, are included in the proposed agreement, as follows:

<u>Date</u>	<u>Percentage Increase</u>
July 1, 1997	3%
December 27, 1997	3%
July 1, 1998	6%
December 26, 1998	3%
July 1, 2000	<u>3%</u>
Total	18%

### POST and/or Education Premium Pay

The existing agreement presently states that employees in classifications covered by this agreement are entitled to receive \$70 biweekly for successfully having completed 30 hours of Peace Officer Standard of Training (POST) training during the preceding calendar year

The proposed agreement would entitle an employee who successfully maintains the State required minimum of 24 hours of POST training within a two-year period to receive a premium equal to four percent of his or her base rate of pay, effective July 1, 1997. Beginning July 1, 1998, any employee who (a) was hired as a 8146 District Attorney Investigator, 8147 Senior District Attorney Investigator or 8149 Assistant Chief District Attorney Investigator before July 1, 1990, or (b) possesses a valid Advanced POST Certificate, would be eligible to receive a premium equal to six percent of his or her base rate of pay. The proposed agreement further provides that employees could not receive both the four percent and the six percent premium.

### Duration of Agreement and Initiation of Meet & Confer Process

The term of the proposed agreement would be in effect at least for the period from July 1, 1997 through June 30, 2001 (four years). Additionally, the terms of the proposed agreement would continue to be effective after June 30, 2001, unless either the DAIA or the City serves written notice on the other at least 60 days prior to June 30, 2001, or June 30th of any subsequent year, of its desire to open the agreement for the purpose of meeting and conferring on proposed changes. Any such changes would be subject to approval by the Board of Supervisors.



- Comments:**
1. According to Mr. John Figone of the ERD, the proposed agreement provides for a wage increase of 18 percent over four years in order to correct a historical wage inequity between District Attorney Investigators in San Francisco and District Attorney Investigators in other Bay Area jurisdictions.
  2. The Controller's Office estimates that the incremental costs of the proposed agreement would be \$154,189 in FY 1997-98, \$327,158 in FY 1998-99, \$59,563 in FY 1999-2000 and \$119,127 in FY 2000-01, with cumulative additional costs of \$1,826,482 over the four-year period of the agreement. The Attachment, provided by the Controller's Office, shows a breakdown of the estimated additional costs of the proposed agreement.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Attachment A  
 District Attorney Investigator's Association  
 Estimated Costs 1997-98 through 2000-01  
 Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>
Wage Increases				
3% on 7/1/97 and 3% on 12/27/97	\$130,148			
6% on 7/1/98 and 3% on 1/28/98		\$276,149		
No increase in FY 1999-00 <sup>1</sup>			\$50,250	
3% on 7/1/00				\$100,500
P.O.S.T. Premium	3,557	7,546	1,401	2,801
Wage-Related Fringe Increases	20,484	43,462	7,913	15,826
Total Estimated Incremental Costs	154,189	327,158	59,563	119,127
Annual Amount Above 1996-97 Level	154,189	481,346	540,910	660,037
Cumulative Total Above 1996-97 Provisions				\$1,836,482
Incremental Cost % of Salary Base	5.33%	10.66%	1.78%	3.56%

<sup>1</sup> Amount shown is due to annualization of the prior year increase.

Item 10 - File 93-97-39

**Department:** Human Resources Department

**Item:** Ordinance implementing the provisions of a mediated settlement adopted by the arbitration panel dated May 27, 1997 amending the provisions of the of Understanding between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21 and the City and County of San Francisco for the period July 1, 1997 through June 30, 1998.

**Description:** The proposed ordinance would adopt and implement the provisions of a mediated settlement adopted by the arbitration panel, pursuant to a grievance filed by the International Federation of Professional and Technical Engineers (IFPTE), Local 21, in accordance with a Memorandum of Understanding (MOU) between IFPTE and the City for the period from July 1, 1994 through June 30, 1998. This MOU was approved by the Board of Supervisors in June of 1994 (File 93-94-12). Approval by the Board of Supervisors is necessary in order for the proposed mediated settlement to be legally enforceable and binding.

This mediated settlement covers approximately 2,630 professional employees and technical engineer employees under 271 different classifications. The provisions of the settlement would be in effect for the last year of the existing MOU between IFPTE and the City, from July 1, 1997 through June 30, 1998 (FY 1997-98). A comprehensive list of the 271 classifications affected by this mediated settlement is on file with the Clerk of the Board of Supervisors.

The following major provisions are included in the arbitration award:

(1) Wage Increases

Under the proposed agreement, the subject employees, unless noted otherwise, would receive the following wage increases, totaling 3.25 percent over the one-year period of the proposed agreement, based on base salaries as of June 30, 1997:

<u>Date</u>	<u>Increase</u>
July 1, 1997	2%
December 27, 1997	<u>1.25%</u>
Total	3.25%

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

The proposed agreement includes wage increases other than 3.25% for Professional Engineering classifications and 6335 Disability Access Coordinator to bring wages for these classifications to rates comparable with other municipalities. Total percent wage increase and the Controller's cost estimates for each of the wage increases are provided in the table below. As shown in the Attachment to this report, the Controller estimates that the combined cost of the proposed wage increases would total \$4,669,848 for FY 1997-98.

<u>Classification</u>	<u>FY 1997-98 Cost of Proposed Wage Increases</u>	<u>Total Percent Increase Provided Over Base Salary</u>
All Local #21 Classes, except the following:	\$2,847,304	3.25%
Professional Engineering Classifications (41 Classes) and 6335 Disability Access Coordinator	<u>1,822,544</u>	5.75%

**TOTAL COST FOR ALL WAGE INCREASES: \$4,669,848**

**(2) Internal and Other Adjustments**

According to Mr. Geoff Rothman of the Human Resources Department (HRD), the HRD agreed to internal adjustments to provide for appropriate wage differences between certain classifications and subordinate classifications. Mr. Rothman states that the internal adjustments described below restore prior relationships and recognized market value rates, and internal relationships. In addition, other adjustments were made to compensate certain classifications as described below. As shown in the Attachment to this report, the Controller estimates that the combined costs of the proposed internal adjustments would total \$313,590 for FY 1997-98.

**8260 Criminalist and 8262 Senior Criminalist:** Salaries for Classes 8260 and 8262 would be increased by 8.0 percent, effective July 1, 1997 to adjust salaries for these classifications to reflect recognized market value rates. This adjustment would be in addition to the previously noted 3.25 percent wage increase.

**4224 Principal Personal Property Auditor and 4267 Principal Real Property Auditor:** Salaries for Classes 4224 and 4267 would be by 9.5 percent, effective July 1, 1997, to adjust the salary spread between Classes 4222 and 4265, Sr. Personal Property Auditor and Sr. Real Property

Appraiser respectively. This adjustment would be instead of the previously noted 3.25 percent wage increase.

**Landscape Architects:** Salaries for all Landscape Architect Classes would be increased by the percentages detailed below to establish parity with the salaries for comparable Architect Classes as of December 27, 1997. This adjustment would be instead of the previously noted 3.25 percent wage increase.

<u>Classification</u>	<u>Total Percent Increase Provided Over Base Salary</u>
5262 Jr. Landscape Architect	19.75%
5272 Assistant Landscape Architect	23.25%
5274 Landscape Architect	14.25%
5275 Sr. Landscape Architect	13.75%

**6318 Construction Inspectors:** During FY 1996-97 the pay for this classification was not increased. A one-time payment of \$60,000 would be divided amongst the approximately 80 employees in this classification, in an amount of approximately \$750 per Construction Inspector that has at least one year of service in this Class as of July 1, 1997. This adjustment would be in addition to the previously noted 3.25 percent wage increase.

**1242 Personnel Analyst:** Instead of increasing wages during FY 1997-98 for Classification 1242 the salary schedule would be extended from five steps to six steps. The additional step would add 5 percent to the top step annual salary of \$50,295.

**4231 Senior Estate Investigator:** Salaries for Classification 4231 would be increased by approximately 4.75 percent, effective December 27, 1997, to adjust the salary spread to 7.5 percent between the above-mentioned classification and the subordinate classification of 4230 Estate Investigator. This adjustment would be instead of the previously noted 3.25 percent wage increase.

**1460 Legal Secretary III:** Salaries for Classification 1460 would be increased by approximately 7.5 percent, effective July 1, 1997, to adjust the salary spread to 7.5 percent between the above-mentioned classification and 1060 Legal Secretary II. This adjustment would be instead of the previously noted 3.25 percent wage increase.

**TOTAL COST FOR ALL ADJUSTMENTS: \$313,590**



(3) Studies To Be Conducted Under the Proposed Resolution

Mr. Rothman reports that the proposed agreement includes a provision that the City would complete the following studies to provide both the City and the Union with information, no later than January 31, 1998, to consider in negotiating a new collective bargaining agreement effective July 1, 1998. As shown in the Attachment to this report, the Controller estimates that the combined cost of the proposed nine studies would total \$135,000, or \$15,000 per study.

1. Wage Compaction: study to consider the practicality and desirability of using formulas developed from the analysis of wage relationships between related classes and series.

The following classifications would be studied to determine comparability of compensation with other City classifications and similar classifications in other jurisdictions:

2. Estate Investigators/Senior Estate Investigators
3. Accountants and related professional financial classes
4. Construction Inspectors
5. Technical Engineers
6. Water Quality Group
7. Criminalists
8. Rehabilitation Professionals
9. Planners

(4) Health Benefits

*Single Employees Full Premium Pickup*

The proposed agreement would grant full City pickup of health premiums for employees who do not use dependent care health benefits ("medically single" employees, i.e. employees who are considered single for the purpose of determining medical benefits). The difference between the City (employer) payment for employee health premiums that will be in effect starting July 1, 1997 according to the Charter provisions, and the monthly premium costs for FY 1997-98 for the City Health Plan, which is the highest premium of the health plans available to the subject employees, is \$9.75 per pay period, or approximately \$254 annually, according to Ms. Alice Villagomez of the HRD. This difference is currently paid for by the employee, but would be picked up by the City for such "medically single" employees. The estimated annual cost of this provision would be \$166,700, according to the Controller.

In addition, other MOUs recently approved by the Board of Supervisors contain a provision granting this benefit to medically single employees at such time as unions representing at least half of all City employees have the provision in their agreement, Mr. Rothman states that approval of this subject Local 21 and the SEIU MOU agreement (Item 19, File 93-97-46 of this report) would trigger full City pickup of the full health care premium coverage for employees that do not use dependent health care benefits for an additional estimated 220 medically single employees covered by other MOUs, including the Crafts Coalition MOU (File 93-97-11 through File 93-97-30). The estimated annual cost of providing this benefit to these other, non-Local 21 employees would be \$55,770.

#### *Benefits While on Unpaid Leave*

Under the proposed agreement, the City would be permitted to stop making contributions for health care and dental benefits for employees who exceed 12 continuous weeks of unpaid leave, with the exception of approved sick leave, workers' compensation leave, family care leave, mandatory administrative leave or for employees with no alternative coverage who have been laid off and are on holdover lists to receive preference for re-employment.

The Controller does not estimate significant potential savings from this provision.

#### (5) Workers' Compensation

According to Mr. Rothman, under the proposed ordinance the calculation of workers' compensation payments would be based upon an employee's net pay after taxes rather than gross pay before taxes. According to Mr. Rothman, under current practices it is possible for an employee receiving workers' compensation to collect wages in excess of their regular net pay because workers' compensation wages are not taxed. Under this proposed agreement employees would only be able to collect wages in the form of workers' compensation, vacation and sick pay in an amount less than or equal to regular wages.

The Controller does not estimate significant the potential savings from this provision.

(6) Provisional Employee's Exams and Salary Step Adjustments

The proposed settlement requires the City to administer Civil Service exams to Local 21 provisional or non-permanent employees for all positions eligible for Civil Service status by or before June 30, 1998. If such an exam is not administered to qualified Local 21 employees, the City would grant the subject employee step adjustment(s) to reflect the length of their service. In exchange, the City would be allowed to hire at least half of its Local 21 employees using "rule of list," which is the process whereby all Civil Service exams for a subject position are ranked and the individuals qualified for the position must be selected from the top of the list. Under this provision the City would be able to hire new Civil Servants without ranking exams. According to the Controller, this provision would not result in significant costs or savings for the City. Therefore the Controller did not estimate a cost or savings for this provision.

**Fiscal Impact:**

As shown in the Attachment, the Controller estimates that the proposed arbitrator's settlement would result in an annual cost increase for the period between July 1, 1997 through June 30, 1998 (FY 1997-98) of approximately \$6,048,601, with ongoing annual costs estimated at \$7,365,393. Below is a summary of the estimated costs for FY 1997-98:

3.25 Percent Wage Increase	\$2,847,304
Professional Engineers and Disability	
Access Coordinator Wage Increases	1,822,544
Internal Adjustments	313,590
Wage Related Fringe Benefits	763,463
Health Benefits	166,700
Cost of Studies	<u>135,000</u>
 Total Estimated Cost	 \$6,048,601

The Attachment to this report shows the Controller's breakdown of the estimated costs for the proposed settlement.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 4, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: IFPTE Local 21 Settlement

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an arbitrator's mediated settlement between the City and County of San Francisco and the International Federation of Professional and Technical Engineers (IFPTE), Local 21. The agreement covers the period July 1, 1997 through June 30, 1998, and affects approximately 2,630 employees with a salary base of approximately \$151 million.

Based on our analysis, the agreement will result in annual incremental costs of approximately \$6 million for fiscal year 1997-98, resulting in a cost increase of approximately 4% over the current salary base. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Attachment A  
Local 21  
Estimated Costs 1997-98  
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>Ongoing Costs</u>
Wage Increases		
2% on 7/1/97 and 1.25% on 12/27/97	\$2,847,304	3,525,233
Engineering Classes 3% on 7/1/97 and 2.75% on 12/27/97	1,822,544	2,395,343
Criminalist Classes 4% on 7/1/97 and 4% on 12/27/97	24,580	32,786
Internal Adjustments <sup>1</sup>	289,000	289,000
Sub-total	4,983,437	6,242,363
Wage-Related Fringe Increases	763,463	956,330
Single Employees Full Premium Pick-up	166,700	166,700
Human Resources Class/Comp Studies	135,000	0
Total Estimated Incremental Costs	\$6,048,600	\$7,365,393
Incremental Cost % of Salary Base	4.02%	4.66%

1 Classes receiving internal or parity adjustments include Construction Inspectors, Personnel Analysts  
Landscape Architects, Auditors, Appraisers, and Estate Investigators



Items 11, 12 and 13 - Files 93-97-40, 93-97-41 and 93-97-42

**Department:** Human Resources Department (HRD)  
Employee Relations Division (ERD)

**Items:** Item 11, File 93-97-40 is an ordinance implementing the provisions of an amendment to the Memorandum of Understanding (MOU) between the Transport Workers Union, Local 250-A (Automotive Service Worker), and the City and County of San Francisco regarding wages, to be effective for the one-year period from July 1, 1997 through June 30, 1998.

Item 12, File 93-97-41 is an ordinance implementing the provisions of an amendment to the MOU between the Transport Workers Union, Local 200 (SEAM), and the City and County of San Francisco regarding wages, to be effective for the one-year period from July 1, 1997 through June 30, 1998.

Item 13, File 93-97-42 is an ordinance implementing the provisions of an amendment to the MOU between the Transport Workers Union, Local 250-A (Multi-Unit) and the City and County of San Francisco regarding wages, to be effective for the one-year period from July 1, 1997 through June 30, 1998.

**Description:** Transport Workers Union (TWU), Local 250-A (Automotive Service Worker) represents approximately 120 City employees in the following classification:

<u>Bargaining Unit</u>	<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
1-AA	7410	Automotive Service Worker	120	\$36,383

TWU, Local 200 (Supervisory Employees Association MUNI or SEAM) represents approximately 245 employees City employees in the following classifications:

<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
1773	Media Training Specialist	2	\$55,985
7412	Automotive Service Worker Supervisor	5	39,307
9139	Transit Supervisor I	177	55,985
9140	Transit Manager I	25	64,806
9141	Transit Manager II	16	71,436
9173	Systems Safety Inspector	1	65,798
9155	Claims Investigator	10	62,953
9156	Senior Claims Investigator	1	69,426
9157	Claims Adjuster	6	69,426
9158	Assistant Claims Agent	0	77,256
8126	Senior Investigator, Office of Citizen Complaints	<u>2</u>	59,691
	TOTAL	245	

TWU, Local 250-A (Multi-Unit) represents approximately 140 City employees in the following classifications:

<u>Bargaining Unit</u>	<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
8-AA	6120	Environmental Health Inspector	27	\$64,519
8-BB	3262	Curator of Industrial Arts	1	44,318
8-BB	3342	Zoo Curator	1	65,798
8-BB	3529	Museum Conservator (Brundage Asian Art)	1	58,203
8-BB	3541	Curator I	3	33,695
8-BB	3542	Curator II	4	46,510
8-BB	3544	Curator III	7	49,094
8-BB	3548	Curator of Natural Science, Junior Museum	2	44,318
8-FF	2806	Disease Control Investigator	32	44,109
11-CC	2808	Senior Disease Control Investigator	13	47,450
11-Z	2810	Principal Disease Control Investigator	2	54,914
11-Z	6122	Senior Environmental Health Inspector	40	69,426
11-Z	6124	Principal Environmental Health Inspector	<u>7</u>	74,698
		TOTAL	140	

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

In June of 1995, the Board of Supervisors approved three Memoranda of Understanding (MOUs) between the City and (a) TWU, Local 250-A (Automotive Service Worker) (File 93-95-36.1); (b) TWU, Local 200 (SEAM) (File 93-95-37); and (c) TWU, Local 250-A (Multi-Unit) (File 93-95-47), for the three-year period from July 1, 1995 through June 30, 1998. These three MOUs provided for wage increases for covered employees to take effect on June 30, 1995 and June 30, 1996. In addition, each MOU included a provision stating that the City and the TWU would meet commencing January 1, 1997, in order to negotiate and reach agreement on wages for covered employees for the period from June 1, 1997 through June 30, 1998.

The Employee Relations Division (ERD) of the Human Resources Department (HRD) has reached agreement with TWU on proposed wage increases for all covered employees for FY 1997-98.

The proposed ordinance (File 93-97-40) would approve an amendment to the existing MOU between TWU, Local 250-A (Automotive Service Worker) and the City, in order to provide a wage increase of 5.25 percent, effective July 1, 1997, and a wage increase of 1.5 percent, effective December 27, 1997, for members of the 7410 Automotive Service Worker class (see Comment No. 1).

The proposed ordinance (File 93-97-41) would approve an amendment to the existing MOU between TWU, Local 200 (SEAM) and the City, in order to provide a wage increase of 6.75 percent, effective July 1, 1997, and a wage increase of 1.5 percent, effective December 27, 1997, for members of the 7412 Automotive Service Worker Supervisor class. In addition, all other covered employees would receive a wage increase of 3.0 percent, effective July 1, 1997.

The proposed ordinance (File 93-97-42) would approve an amendment to the existing MOU between TWU, Local 250-A (Multi-Unit) and the City, in order to provide a wage increase of 3.0 percent, effective July 1, 1997, for all covered employees.

**Comments:**

1. It should be noted that the existing MOU between TWU, Local 250-A (Automotive Service Worker) and the City already provides for an internal pay adjustment of 1.5 percent on July 1, 1997 for employees in the 7410 Automotive Service Worker class. The proposed wage increase of 5.25 percent on July 1, 1997 for employees in the Automotive Service Worker class would be in addition to the 1.5 percent

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

internal pay adjustment included in the existing MOU. Thus, the total increase in wages for employees in the 7410 Automotive Service Worker class for FY 1997-98 would be 6.75 percent on July 1, 1997 and an additional 1.5 percent on December 27, 1997.

2. According to Mr. John Figone of the ERD, employees in the 7410 Automotive Service Worker and 7412 Automotive Service Worker Supervisor classes would receive wage increases of 6.75 percent on July 1, 1997 and an additional 1.5 percent on December 27, 1997, versus the 3.0 percent wage increase provided to other covered employees for FY 1997-98, in order to correct historical wage inequities between the 7410 Automotive Service Worker and 7412 Automotive Service Worker Supervisors classifications and other employees with comparable duties and responsibilities

3. The Controller's Office estimates that the cost of wage increases included in the proposed amendments to three existing MOUs would be \$1,078,334 in FY 1997-98, as reflected in the table below.

<u>Union/ Bargaining Unit(s)</u>	<u>Proposed Wage Increase, Effective 7/1/97</u>	<u>Proposed Wage Increase, Effective 12/27/97</u>	<u>Estimated Additional Salary and Fringe Benefit Costs for FY 1997-98</u>
TWU, Local 250-A: 7410 Automotive Service Worker	5.25%	1.5%	\$301,219
TWU, Local 200: 7412 Automotive Service Worker Supervisor	6.75%	1.5%	16,998
TWU, Local 200 (SEAM)	3.0%	--	484,467
TWU, Local 250-A (Multi-Unit)	3.0%	--	275,650
TOTAL			<u>\$1,078,334</u>

**Recommendation:** Approval of the proposed ordinances is a policy matter for the Board of Supervisors.

Item 14 - File 93-97-35

**Note:** This item was rereferred from the Board of Supervisors meeting of May 19, 1997.

**Department:** Human Resources Department

**Item:** Ordinance adopting and implementing the provisions of an arbitrator's award, which sets the compensation of the classifications represented by the Municipal Executives Association (MEA) for Bargaining Units M (Management employees) and EM (Executive Management employees) for the period of July 1, 1996 through June 30, 1998.

**Description:** According to Ms Alice Villagomez of the Human Resources Department (HRD), the Municipal Executives Association (MEA) and the City entered into a Memorandum of Understanding (MOU) effective for the three-year period of July 1, 1995 through June 30, 1998. Although the parties to the MOU agreed that no wage increase would be granted for FY 1996-97, the MOU provided that wages would initially be adjusted for Fiscal Year 1996-97 retroactive to July 1, 1996 based on the outcome of a planned Classification and Compensation Study (Study). The MOU further provided that if the Study was not completed by January 1, 1997, the MOU could be reopened for negotiation of a retroactive wage increase. Ms. Villagomez reports that because the HRD did not have sufficient time to complete the Study, negotiations were reopened in March of 1997. The HRD and the MEA were unable to reach an agreement, so the matter was submitted to binding arbitration, as provided in the MOU.

This arbitration award covers 510 management and executive management employees, including City and County department heads, under 341 different classifications. A comprehensive list of the 341 classifications affected by this arbitration settlement is on file with the Clerk of the Board of Supervisors.

This proposed ordinance would adopt and implement the provisions of the arbitrator's award, which was based on the final offer presented by the HRD, as follows:

(1) General Base Wage Increase

A two percent base wage increase retroactive to July 1, 1996 would be implemented for the 341 classifications represented by the MEA, based on earned salaries in FY 1996-97;



(2) Internal Adjustments

According to Ms. Villagomez, internal adjustment A described below was included in the HRD's final offer primarily to restore the salary differential between the three directors and their subordinates. Ms. Villagomez reports that internal adjustment B described below was included in the HRD's final offer because one of the expected outcomes of the Study would have been such an adjustment and that the adjustment was considered by the HRD to be fair.

(A) The salary steps of Classification 1168 Director of Health, Classification 3670 City Librarian, and Classification 9278 Director of Airports would be adjusted, as shown below, effective July 1, 1997:

<u>Classification</u>	<u>Current Annual Salary</u>		<u>Proposed Annual Salary</u>	
	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>
1168 Director of Health	\$112,517	\$136,790	\$139,531	\$178,054
3670 City Librarian	86,835	105,548	86,835	125,254
9278 Director of Airports	107,741	130,970	107,741	140,105

The salary schedule for Classification 1168 Director of Health would be extended from five steps to six steps, the salary schedule for Classification 3670 City Librarian would be extended from five steps to nine steps, and the salary schedule for Classification 9278 Director of Airports would be extended from five steps to seven steps. Advancement above step five for the City Librarian and the Director of Airports would be subject to the approval of the Mayor.

The internal adjustment for Classification 1168 Director of Health would result in a 24 to 30 percent increase in salary. The internal adjustments for Classifications 3670 and 9278 would result in a 19 and 7 percent increase, respectively, from the salary at the current top step (see Attachment I).

(B) The 20 employees who have not achieved permanent status in their current class would receive a one step increase in base salary, retroactive to July 1, 1996, in addition to the two percent wage increase described above (see Attachment II).

**Comments:**

1. As shown in Attachment III, the Controller estimates that the two percent base salary increase would result in an annual cost increase for FY 1996-97 and FY 1997-98 of approximately \$970,000. The Controller estimates that the two internal adjustments (A and B described above) would result in an increase of approximately \$35,000 in FY 1996-97 and \$110,000 in FY 1997-98. The Budget Analyst concurs with the Controller's estimates, as shown below:

<u>Provision</u>	<u>FY 1996-97</u>	<u>FY 1997-98</u>
Two percent wage increase	\$970,000	\$970,000
Internal Adjustment A	0	75,000
Internal Adjustment B	<u>35,000</u>	<u>35,000</u>
Total	\$1,005,000	\$1,080,000

The total cumulative costs for FY 1996-97 through FY 1997-98 would be \$2,085,000.

2. According to Ms. Villagomez, after the scope and methodology are better determined, the HRD still plans to conduct the Classification and Compensation Study of these MEA classifications.

3. According to Ms. Vicki Clayton of the City Attorney's Office, in accordance with Charter Section A 8.409-4, the decision of the arbitrator is final and binding upon all the parties to the dispute, unless the award is procedurally or legally invalid. Ms. Clayton reports that there are no known provisions of the subject award that are procedurally or legally invalid.

**Recommendation:** Approve the proposed ordinance.

comparison

Attachment I

	July 1, 1996		July 1, 1997		Percent Change	
	Low	High	Low	High	Low	High
1168 DIRECTOR OF HEALTH	\$4,311	\$5,241	\$5,346	\$6,822	24%	30%
3670 CITY LIBRARIAN	\$3,327	\$4,044	\$3,327	\$4,799	0%	19%
9278 DIRECTOR OF AIRPORTS	\$4,128	\$5,018	\$4,128	\$5,368	0%	7%

# **MEA - Management Bargaining Units: Internal Adjustments**

Internal salary adjustments needed to complete the partial adjustments granted for Fiscal Year 94/95.

Class Title	Class Number	Position Count	Current Bi-Weekly Salary	Proposed Bi-Weekly Salary	Bi-Weekly Salary Difference	Total Difference	Percent Difference
Director, Dept. of Parking & Traffic	1101	1	\$4,145	\$4,188	\$43	\$43	1.0%
Director, Convention Facilities	1103	1	\$3,633	\$3,669	\$36	\$36	1.0%
Director, Animal Care & Control	1120	1	\$3,315	\$3,348	\$33	\$33	1.0%
Deputy Director, Animal Care & Control	1121	1	\$2,342	\$2,365	\$23	\$23	1.0%
Assistant County Clerk/Recorder	1133	1	\$2,274	\$2,297	\$23	\$23	1.0%
Ge. Mgr., Dept. Elect. & Telecom.	1150	1	\$3,724	\$3,777	\$53	\$53	1.5%
Budget & Fiscal Operations Manager	1683	1	\$3,005	\$3,047	\$42	\$42	1.5%
Administration Laguna Honda Hospital	2182	1	\$4,869	\$4,915	\$46	\$46	1.0%
Exec. Secretary, Ge. Mgr. Rec. Park	3110	1	\$2,166	\$2,188	\$22	\$22	1.0%
Asst. Superintendent Streets & Sewers	5135	3	\$3,064	\$3,187	\$123	\$369	4.0%
Superintendent, Streets & Sewers	5136	1	\$3,313	\$3,346	\$33	\$33	1.0%
Supt. Street Environmental Services	5170	1	\$3,313	\$3,346	\$33	\$33	1.0%
Asst. Supt. Street Environmental Services	5173	3	\$3,064	\$3,187	\$123	\$369	4.0%
Chief, Street Use & Mapping	5191	1	\$3,217	\$3,346	\$129	\$129	4.0%
Superintendent, Track Maintenance	7283	2	\$2,342	\$2,354	\$12	\$24	0.5%
Positions Total:		20					
Bi-Weekly Total Difference:						\$1,278	
Total Annual Difference:						\$33,379	



CITY AND COUNTY OF SAN FRANCISCO

Attachment III

OFFICE OF THE CONTROLLER

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

May 5, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Municipal Executive Association (MEA) Arbitration Award

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the proposed arbitration award for fiscal year 1996-97. This ordinance affects approximately 500 employees with a salary base of approximately \$42 million.

The arbitration award would result in a 2% salary increase retroactive to July 1, 1996. This provision would result in an incremental annual cost increase of about \$970,000 in 1996-97 as well as retroactive step increases for provisional employees worth approximately \$35,000.

The award also allows for salary adjustment for the Director of Health, Airports and the Library. Given approval of the Mayor, the incremental cost of these provisions would be approximately \$75,000 in 1997-98.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

Edward M. Harrington  
Controller

Attachment

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst



Item 15 - File 93-97- 43

**Department:** Human Resources Department

**Item:** Ordinance adopting and implementing the provisions of an amendment to the Memorandum of Understanding (MOU) between the City and County of San Francisco and the Municipal Executives Association for management (Bargaining Unit M) and Executive Management (Bargaining Unit EM) pertaining to Pay for Performance.

**Description:** As stated in Item 14, File 93-97-35 of this report to the Finance Committee, the Municipal Executives Association (MEA) and the City entered into a Memorandum of Understanding (MOU) effective for the three-year period of July 1, 1995 through June 30, 1998. The MOU covers approximately 523 management and executive management employees, including City and County department heads, under 341 different classifications. A comprehensive list of the 341 classifications included in the MOU is on file with the Clerk of the Board of Supervisors.

This proposed ordinance would adopt and implement an amendment to the Pay for Performance Salary Incentive Plan, which, according to Mr. Geoff Rothman of the Human Resources Department (HRD), is a program which links annual performance evaluations to salary increases. Mr. Rothman reports that the Pay for Performance Salary Incentive Plan is already included in the MOU. However, Mr. Rothman states that the City and the MEA have since agreed to amend the effective date of the Pay for Performance Salary Incentive Plan. Mr. Rothman advises that instead of a complete implementation date of July 1, 1997, the Pay for Performance program would begin to be implemented, but no Pay for Performance salary increases would be made until July 1, 1998, instead of July 1, 1997, if this proposed amendment to the MOU is approved.

According to Mr. Rothman, in order to compensate for the later Pay for Performance salary increase date for MEA employees who meet the performance criteria implemented for the plan, this proposed amendment to the existing MOU would provide for a 2 percent wage increase, effective July 1, 1997, for all employees covered by the MOU.

**Comments:** 1. According to the Controller, this proposed amendment would not result in any additional cost in FY 1997-98 because the current provisions of the existing MOU already provide for a two percent performance-based increase in salary (see Attachment I).

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

2. Attachment II, provided by HRD, describes how the Pay for Performance Salary Incentive Plan will operate. Mr. Rothman advises that the actual amount of compensation for performance, that will be effective July 1, 1998, will be set through negotiations between the HRD and the MEA. According to Mr. Rothman, the agreed upon compensation amounts would be included in any successor MOU agreement, and thus, subject to the approval of the Board of Supervisors.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



## CITY AND COUNTY OF SAN FRANCISCO

## ATTACHMENT I

## OFFICE OF THE CONTROLLER

Edward Harrington  
Controller

John W. Madden  
Chief Assistant Controller

June 6, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Municipal Executives Association Amendment to MOU (Revised as of 6/6/97)

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of an amendment to the Memorandum of Understanding between the City and County of San Francisco and the Municipal Executives Association (MEA). The agreement covers the period July 1, 1997 through June 30, 1998, and affects approximately 523 employees with a salary base of approximately \$43 million.

The current MOU includes a pay-for-performance program for fiscal year 1997-98 that capped the overall pay increase at 2%. This amendment proposes an across-the-board 2% wage increase for 1997-98.

Both the current and proposed amendment would result in incremental costs of approximately 2% or \$992,000 in 1997-98. Therefore, this amendment would not result in an additional new cost in 1997-98. Wage increases under the pay-for-performance program for fiscal year 1998-99 will be determined through subsequent contract negotiations.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. Harrington", written over a horizontal line.

Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

### The Plan

Performance goals and measures will be set for all management staff. At least once per year managers will be evaluated, including mid-year "check-ins". Managers will be evaluated on whether they are achieving their goals and shall be rated in one of the following categories:

Outstanding  
Superior  
Above Average  
Average (Competent and Effective)  
Needs Improvement

Goals, measures and categorization should be done cooperatively between managers and those to whom they report. This will typically mean that department heads will work with commissions having jurisdiction over their departments, or, where there is no commission, shall work with the Mayor or his representative. The final decisions rest with those doing the evaluation.

After managers are categorized, the results will be sent to an Executive Compensation Committee (hereinafter ECC) composed of a representative of the Mayor, a representative of the Board of Supervisors, the City's Director of Human Resources, a Department Head, and a member of the public who is knowledgeable in executive compensation matters, selected by the other members.

The actual amount provided for each performance category, the method of distribution, and the process for review by the ECC will be set through the negotiations process.

Since this program is designed to encourage performance evaluations, no manager can achieve a ranking higher than "average" if they have not provided a performance evaluation to all of the staff who report to them. The ECC shall direct that an evaluation shall be performed for employees who not receive a scheduled performance evaluation. Any compensation resulting shall be retroactive to the original schedule of implementation. Those managers who are ranked "needs improvement" shall not receive any performance based increase.

Item 16 - File 93-97-44

**Department:** Human Resources Department

**Item:** Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Service Employees International Union, Local 790, and the City and County of San Francisco for Staff Nurses and Per Diem Nurses to be effective July 1, 1997 through June 30, 2000.

**Comment:** The Controller estimates that the proposed agreement between SEIU Local 790 and the City for Staff Nurses and Per Diem Nurses will cost approximately \$3.8 million in FY 1997-98, an incremental \$4.5 million in FY 1998-99, and an incremental \$2.7 million in FY 1999-2000, for a total cumulative cost over the three-year period of the MOU of approximately \$23.1 million. The Controller's cost estimate is attached to this report.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 6, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Staff and Per Diem Nurses SEIU Local 790 MOU

Dear Mr. Taylor:

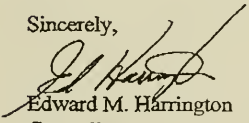
In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding between the City and County of San Francisco and Staff and Per Diem Nurses SEIU Local 790. The agreement covers the period July 1, 1997 through June 30, 2000, and affects approximately 1,375 employees with a salary base of approximately \$82.6 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately \$3.8 million in FY 1997-98, \$4.5 million in FY 1998-99, and \$2.7 million in FY 1999-00. The agreement will result in annual cost increases ranging from approximately 3.5% to 5.9% over base salary levels during the three fiscal years. Please see Attachment A for specific cost estimates.

The MOU creates lower, introductory salary steps for Class 2830 Public Health Nurse which may, over time, result in cost savings that would offset a portion of the above cost estimates. The extent of savings will largely depend on the level of attrition within this unit. Since this factor is difficult to quantify, we have not included a specific savings figure in our cost estimate.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Attachment A  
 Staff and Per Diem Nurses SEIU Local 790  
 Estimated Costs 1997-98 through 1999-00  
 Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>
<b>Wage Increases</b>			
1.5% on 7/1/97 and 1.5% on 1/1/98	\$1,651,245		
1.25% on 7/1/98 and 1.25% on 1/1/99		\$1,984,679	
1.5% on 7/1/99 and 1.5% on 1/1/00			\$2,228,378
Nurse Practicioners Additional 1% on 7/1/97 and additional 1% on 7/1/99	112,379	94,432	142,907
Public Health Nurses 2% Lump-Sum Payment	114,200		
<b>Wage-Related Fringe Increases</b>	203,180	266,542	363,281
<b>Retirement Pick-up</b>			
Additional 2% on 7/1/97	1,651,129		
Additional 2.5% on 7/1/98		2,125,710	
<b>Tuition Reimbursement Program Increase</b>	60,000		
<b>Total Estimated Incremental Costs</b>	<u>3,792,132</u>	<u>4,471,364</u>	<u>2,734,566</u>
<b>Annual Amount Above 1996-97 Level</b>	3,792,132	8,263,495	10,998,061
<b>Cumulative Total Above 1996-97 Provisions</b>			\$23,053,688
<b>Incremental Cost % of Salary Base</b>	5.17%	5.91%	3.53%



Item 17 - File 93-97-45

**Department:** Human Resources Department

**Item:** Ordinance adopting and implementing the terms of a Memorandum of Understanding between the Freight Checkers, Clerical Employees and Helpers, Local 856, and the City and County of San Francisco for bargaining Unit 11B, Supervising Registered Nurses, to be effective July 1, 1997 through June 30, 2000.

**Comment:** The Controller estimates that the proposed agreement between the Freight Checkers, Clerical Employees and Helpers, Local 856 for Bargaining Unit 11B and the City for Supervising Registered Nurses will cost approximately \$420,000 in FY 1997-98, an incremental \$528,000 in FY 1998-99, and an incremental \$196,000 in FY 1999-2000, for a total cumulative cost over the three-year period of the MOU of approximately \$2.5 million. The Controller's cost estimate is attached to this report.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 5, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Supervising Registered Nurses Local 856

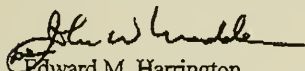
Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding between the City and County of San Francisco and the Supervising Registered Nurses, Local 856. The agreement covers the period July 1, 1997 through June 30, 2000, and affects approximately 136 employees with a salary base of approximately \$10.8 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately \$420,000 in FY 1997-98, \$528,000 in FY 1998-99, and \$196,000 in FY 1999-00. The agreement will result in annual cost increases ranging from approximately 1.7% to 3.8% over base salary levels during the three fiscal years. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst



Attachment A  
Supervising Nurses Local 856  
Estimated Costs 1997-98 through 1999-00  
Controller's Office

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>
Wage Increases			
1% on 7/1/97 and 1% on 12/27/97	\$163,253		
1% on 7/1/98 and 1% on 12/26/98		\$222,048	
1% on 7/1/99 and 1% on 12/25/99			\$169,882
Wage-Related Fringe Increases	17,664	28,466	26,026
Retirement Pick-up			
Additional 2% on 7/1/97	217,671		
Additional 2.5% on 7/1/98		277,557	
Long-Term Disability Insurance <sup>1</sup>	21,760		
Total Estimated Incremental Costs	420,347	528,069	195,908
Annual Amount Above 1996-97 Level	420,347	948,417	1,144,324
Cumulative Total Above 1996-97 Provisions			\$2,513,088
Incremental Cost % of Salary Base	3.86%	4.76%	1.73%

<sup>1</sup> Cost could be lower or higher depending on premium rate and number of eligible employees.



Item 18 - File 93-97-6.1

**Note:** The predecessor to this item (File 93-97-6) was tabled by the Finance Committee at its meeting of May 21, 1997.

**Department:** Department of Human Resources (HRD)

**Item:** Ordinance implementing the provisions of an arbitrator's award (the "Award") dated May 27, 1997, between the International Federation of Professional and Technical Engineers, AFL-CIO, Local 21, and the City and County of San Francisco, providing for the arbitrable terms of implementation of the IT (Information Technology) Study.

**Description:** The Civil Service Commission contracted with a consultant in 1990 to perform a classification study of the City's Information Systems (IS) positions Citywide. According to Mr. Rob Kellar of HRD, the Study was initiated because of general dissatisfaction by City departments with the classification structure of IS positions and the fact that many of the existing IS positions were not classified.

HRD estimated that implementation of the classification study would have resulted in total annual salary increases of \$1,465,213 for the 486 affected positions. However, there were 182 appeals in process which could have further increased the costs. In total 58 positions would have received annual salary increases of over \$10,000, including one position to receive a \$34,243 annual salary increase.

The ordinance (File 93-97-6) which would have implemented the results of the classification study was tabled by the Finance Committee at its meeting of May 21, 1997. As a result, the implementation of the IT Study was submitted for arbitration and the Arbitrator's Award was issued on May 27, 1997.

The proposed legislation would implement the results of the Award between the City and Local 21 regarding the implementation of the classification study of the City's Information Systems positions. Significant elements of the Award are as follows:

1. The Award implements the results of the classification study with regard to positions represented by Local 21, including proposed wage rates for 28 new classifications created as a result of the IT Study.
2. The provisions of the Award become effective July 1, 1997, with all wage rates, including those for both existing classes and new classes, revised for any cost of living adjustments approved for implementation for Local #21 classes for Fiscal Year 1997-98.
3. Regarding salary steps, all new classifications shall have five regular salary steps in a 20% salary range. In addition, where required by '4' below, substeps shall be added at 5% intervals below the previously negotiated minimum salary level. It is understood that these substeps are intended as an interim measure to facilitate transition of current employees into new classifications. Employees placed in such substeps shall progress through the substeps annually until they reach the normal minimum salary step of their respective classification.
4. Employees shall be placed at the regular step in the new classification which is closest to, but not less than the salary of the step to which they are currently assigned in their present classification. Provided however, that if such placement would result in an increase of greater than 10% (15% for employees currently in classes 1734, 1807 and 1808, or classes with an equivalent or lower salary rate), the employee shall be placed in a new salary substep closest to, but not more than 10% (15% in classes 1734, 1807 and 1808, or classes with an equivalent or lower salary rate) above their current salary, in the new classification as described in 'a' above.
5. Provisional employees<sup>1</sup> shall receive the step increases to which they would have been entitled had they become permanent employees at the date of appointment in their current provisional classifications,

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<sup>1</sup>Provisional employees are City employees who were not selected from a Civil Service eligible list, but whose positions are subject to be filled from a Civil Service eligible list. Provisional employees retain their provisional status until a Civil Service eligible list is established and they may be selected from that list if they are reachable. At that time, they become permanent employees.

only if sufficient funds are available at the time of implementation.

6. Employees whose salaries would otherwise be reduced as a result of the classification implementation shall continue at their current rates of pay with no further increases until such time as their respective salary rates are the same or greater than their current rates of pay.

7. Employees who have served more than one year and one day in their current provisional classifications and departments shall serve a probationary period of 60 days in their permanent successor classifications.

8. Employees who are permanent in their current classifications shall continue to carryforward accrued seniority in their successor positions. Employees who are provisional in their current classifications, upon becoming permanent in a successor classification, shall carryforward seniority from the appointment date in their most recent respective provisional classification, as if they had been permanent in those respective classifications.

9. Classification 1739, Computer Operations Supervisor II, which would be abolished and reclassified as Classification 1005, IS Operations Supervisor, shall not be affected until such time as the present incumbents have vacated or been removed from the classification. However, no new positions shall be allocated to Classification 1739 and no further examinations for that classification shall be administered.

10. Classification 1860, Computer Operations Support Supervisor, is scheduled to be reclassified to Classification 1005, IS Operations Supervisor. The lone current employee in Classification 1860 may request reclassification to Classification 1739, Computer Operations Supervisor II, prior to implementation of the reclassifications in lieu of the proposed reclassification to Classification 1005.

11. The title of Classification 1070 shall be IS Project Director, and the HRD shall amend the job specifications to be consistent with the classification title, subject to appeal to the Civil Service Commission.

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12. Regarding the IS classifications, the City agrees to recognize Local 21 as the collective bargaining representative for any classification which constitutes a successor classification to a classification which Local 21 currently represents.

13. Appointments are to be made, at the nearest step to, but not less than, the employees current salary, not to exceed the maximum of the salary range.

**Comments:**

1. HRD estimates that subject to changes from 182 appeals presently being processed, this Award, which is applicable to 407 filled positions, would result in total annual salary increases of \$302,317, or an average annual salary increase of \$743. 262 of the 407 filled positions would receive no salary increase. Four employees would receive annual salary increases slightly in excess of \$5,000. It should be noted that the 182 appeals could result in costs significantly in excess of the \$302,317 cost increase estimated for FY 1997-98.

2. All 407 affected positions are currently represented by Local 21 and would continue to be represented by Local 21.

3. A listing of the 407 positions, together with the existing and proposed new classifications, and the current and proposed salaries is contained in the Board of Supervisors file.

4 According to Ms. Vicki Clayton, the City Attorney's Office is not aware of any grounds for legal challenge to the arbitration award and that absent such grounds, the award is binding and must be implemented by the Board of Supervisors.

5. The Budget Analyst is currently reviewing the Mayor's proposed FY 1997-98 budget and will recommend appropriate reductions in salary costs based on the fact that the previous estimated costs to implement the classification study in FY 1997-98 of \$1,465,213, are included in the FY 1997-98 budget.

**Recommendation:** Approve the proposed ordinance.

Item 19 - File 93-97-46

**Department:** Department of Human Resources (DHR)

**Item:** Ordinance adopting and implementing the provisions of a Memorandum of Understanding between the Service Employees International Union (SEIU) Locals 250, 535 and 790, and the City and County of San Francisco, for the three year period from July 1, 1997 through June 30, 2000.

**Description:** The proposed ordinance would adopt and implement the provisions of a new Memorandum of Understanding (MOU) between the City and SEIU Locals 250, 535 and 790. The proposed MOU is for the three year period from July 1, 1997 through June 30, 2000. The MOU covers a total of approximately 9,800 employees. The major new provisions of the MOU are summarized below. A summary of the Controller's estimated cost of implementation of the MOU is provided after the description of major provisions.

Wage Increases

The proposed MOU would provide wage increases, totaling 9.75 percent over the three-year period of the MOU, to all covered employees based on the following schedule:

<u>Date</u>	<u>Percent Wage Increase</u>
July 1, 1997	1.75 percent
January 1, 1998	1.50 percent
July 1, 1998	1.75 percent
January 1, 1999	1.50 percent
July 1, 1999	1.75 percent
January 1, 2000	1.50 percent

The Controller estimates that these scheduled salary increases will result in increased costs to the City of approximately \$10,377,879 in FY 1997-98, and successively incremental amounts of \$13,933,250 in FY 1998-99 and \$14,389,738 in FY 1999-2000, for a total cost over the three-year term of the MOU of \$73,389,875.

The schedule of wage increases will also result in wage-related fringe benefit costs increases of \$2,004,585 in FY 1997-98, and incremental amounts of \$2,435,867 in FY 1998-99 and \$2,276,001 in FY 1999-2000, according to the Controller.

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Contracting Out

The proposed MOU contains a new section which limits the City's ability to contract out work. Specifically, the MOU states that:

√ Department heads will not initiate and the Mayor will not approve new Proposition J and non-Proposition J requests to contract out any routine work currently performed by existing employees represented by SEIU, and no existing positions in the bargaining unit will be eliminated as a result of contracting out during the term of the agreement. Existing contracts could be renewed or extended. It would also be permitted for the City to contract out services funded by new Federal, State or private grant funds designated for new programs.

√ An exception to the proposed restrictions on contracting out work currently performed by existing employees would be made if an external funding source requires the use of outside third parties, or in an emergency situation, which would require authorization by a majority vote of the Board of Supervisors, and approval of the Mayor.

√ The proposed MOU states that, if the Mayor determines that these restrictions unduly interfere with its ability to provide appropriate services to the diverse communities of San Francisco, representatives of the City and the SEIU will meet to try to reach an agreement on whether or not contracting out should be permitted. If no agreement is reached, the matter would be submitted for arbitration.

√ Under the proposed MOU, the Mayor would instruct department heads not to initiate non-Proposition J contracts (i.e. contracts for personal services approved by the Civil Service Commission, which do not require a certification by the Controller that the services can be performed by outside contractors at lower cost than by in-house Civil Service staff) for services that could potentially be performed by classes covered by the MOU for terms of more than one year, except as otherwise approved by the Mayor, after consultation with the SEIU. This restriction would apply to all such contracts, including contracts with non-profit service providers. The City would be required, at the Union's request, to meet with the Union to discuss alternatives to contracting out any non-Proposition J contract or contract amendment, including outside contracts with non-profit agencies.

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Although the restrictions on contracting out do not carry any direct costs, the Budget Analyst notes that the effect of the restrictions would be to limit the City's ability to save money in those cases where such services could be obtained at a lower cost than if performed by City employees. This provision would also significantly limit the flexibility of the City in determining the best way to provide many services. The Budget Analyst has previously recommended that the non-Proposition J contracts undergo a cost savings certification similar to the Proposition J contracts in order to determine if savings would in fact be achieved by contracting out. That recommendation has never been implemented. (See Comment No. 3.)

### Reassignment

The current MOU gives departments the discretion to determine whether they wish to fill vacancies by reassigning a current City employee in the same class and department, or by some other process approved by the Civil Service Commission, such as a Civil Service list, transfer from another class or department, etc. Under the proposed MOU, departments would be required to solicit applications from the same class and department for all vacancies in positions lasting one year or more, and to give first priority to filling the vacancy by reassignment of one of the three most senior qualified applicants from within the class and department. Departments could pursue hiring for the position from persons outside the class and department only if no qualified employee from the class and department is found to be acceptable by the department, based on "objective criteria". (See Comment No. 1.)

The proposed MOU would require that all such positions be posted for two weeks, and that the name of the selected applicant be posted for two weeks. The selection would be subject to grievance. (See Comment No. 1.)

The proposed MOU further states that, "Disciplinary records and written performance evaluations shall not be used for the determination of a reassignment. The reassignment shall be based on objective criteria and shall not be arbitrary and capricious." See Comment No. 1.

There are no direct costs associated with these provisions, although, as detailed in Comment No. 1, they would have a significant impact on City hiring decisions.

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### Premium Adjustments

The proposed MOU includes four provisions for premium adjustments related to (1) night duty differential; (2) an Outdoor Traffic Control premium; (3) an Adult Protective Services Unit premium; and (4) an Airport Field Officer training premium. The specific proposed changes are described below. The Controller estimates that the total cost of the premium adjustments would be \$240,210 per year.

### Additional Classes to Receive Night Duty Differential

The current SEIU MOU provides for an 8 percent pay differential for designated Department of Public Health (DPH) employees who work evening and night shifts. The proposed MOU would add new classifications to those that are entitled to the DPH night duty differential if they work such shifts. The added classifications are 1431 Senior Unit Clerk, 2303 Mental Health Rehabilitation Worker, 2314 Public Health Team Leader, 2402 Laboratory Helper, 2430 Medical Evaluations Assistant, 2534 Paramedic Supervisor, 2536 Respiratory Care Practitioner, 2537 Respiratory Care Practitioner II, 2618 Food Service Supervisor, 2619 Senior Food Service Supervisor, 2650 Assistant Cook, 2652 Baker, 2654 Cook, 2656 Chef, 2740 Porter Supervisor I and 2780 Laundry Worker Supervisor.

### Replacement of Outdoor Traffic Control Premium

Class 8214 Parking Control Officers and class 8216 Senior Parking Control Officers currently receive an Outdoor Traffic Control Premium of \$0.75 per hour for hours worked outside. The proposed MOU would replace this premium with a one-time wage increase of \$0.55 per hour. (See Comment No. 4.)

### Extension of Adult Protective Services Unit Premium

The current MOU currently provides a 10 percent premium for class 2910 Social Worker and 2912 Senior Social Worker employees of the Adult Protective Service unit of the Department of Human Services, for providing services to aged and disabled adults who at risk for abuse. Mr. Curt Kirschner of the law firm of O'Melveny & Myers, who represented the City in negotiations with the SEIU, advises that the proposed MOU would correct an error in the existing MOU by extending this 10 percent premium to 2914 Social Work Supervisors. Mr. Kirschner states that this proposed change will effect only one current position.

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Airport Field Officer Training Premium

A new premium would be provided to 9209 Airport Police Service Aides, 9212 Airfield Safety Officers and 9202 Airport Communications Dispatchers who are assigned to train and evaluate employees in their respective classes. Class 9212 Airfield Safety Officers would also receive the premium for hours they spend designing and developing training materials and training employees or interns in airfield safety. Such employees would receive a 5 percent premium, up to a maximum of \$1.40 per hour, for each hour of training or evaluation.

Internal Adjustments

Although the proposed MOU does not include specific internal salary adjustments, it would establish agreement on the standards to be used in determining when internal adjustments are appropriate. The MOU would set a cap of \$1.4 million per year for paying the costs of future internal adjustments. Mr. Kirschner states that this cap limits the total, cumulative amount of internal adjustments to \$1.4 million per year, so the cost of adjustments approved in one year would have to be counted against the cap prior to authorization of further internal adjustments in the second year of the MOU. Mr. Kirschner states that the current MOU provided \$1.7 million for internal adjustments, or \$300,000 more than is proposed in the subject MOU.

Under the agreement, the SEIU and the City would have until September 1, 1997 to submit a list of classes recommended for such future internal adjustments. For those recommendations on which there is mutual agreement, such internal adjustments would take effect on March 1, 1998, subject to Board of Supervisors approval. If the cost of the internal adjustments during the first year of the agreement totals less than \$1.4 million, the SEIU and the City could submit further recommendations for internal adjustments by September 1, 1988. Those recommendations on which there is mutual agreement would take effect July 1, 1999, subject to Board of Supervisors approval and subject to the \$1.4 million annual cap on costs. Disputes would be submitted to binding arbitration, but the agreement states that the arbitrator would be required to ensure that the \$1.4 million annual cap is not exceeded.

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The Controller states that this provision will carry a minimum cost of \$437,750 in FY 1997-98, and an incremental \$903,954 in FY 1998-99 or a total of approximately \$1.4 million annually by the third year of the MOU.

#### Health Benefits

The proposed MOU would grant full City pickup of health care premiums for employees who do not use dependent care health benefits ("medically single" employees, i.e. employees who are considered single for the purpose of determining medical benefits). The difference between the City (employer) payment for employee health premiums that will be in effect starting July 1, 1997 according to Charter provisions, and the monthly premium costs for FY 1997-98 for the City Health Plan, which has the highest premium of the health plans available to the subject employees, is \$9.75 per pay period, according to Ms. Alice Villagomez of the HRD. This difference is currently paid by the employee, but would be picked up by the City for such "medically single" employees. The estimated annual cost of this provision is \$622,639, according to the Controller.

In addition, other MOUs recently approved by the Board of Supervisors contain a provision granting this benefit to medically single employees at such time as unions representing at least half of all City employees have the provision in their agreements. Mr. Geoff Rothman of the HRD states that approval of this subject SEIU MOU and the Local 21 agreement (Item 10, File 93-97-39 of this report) would trigger full City pickup of the full health care premium for employees who do not use dependent care health benefits for an additional estimated 220 medically single employees covered by other MOUs in the Crafts Coalition (Files 93-97-11 through 93-97-30). The estimated annual cost of providing this benefit to these other, non-SEIU and non-Local 21 employees is \$55,770, according to the HRD.

#### Benefits While on Unpaid Leave

Under the proposed MOU, the City would be permitted to stop making contributions for health care and dental benefits for employees who exceed 12 continuous weeks of unpaid leave, with the exception of approved sick leave, workers' compensation leave, family care leave, mandatory administrative leave or for employees with no alternative

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coverage who have been laid off and are on a holdover list (i.e., an employee with recall rights for re-employment).

According to the Controller, this provision would not provide significant costs or savings to the City. Therefore, the Controller did not estimate a cost or savings for this provision.

#### Long Term Disability Plan

The proposed MOU would provide a new Long Term Disability Plan (LTD) to employees with six months continuous service. The LTD would provide employees with a long term disability with 60 percent of their salary up to the age of 65. Employees receiving payments under the LTD would not be entitled to also receive payments under the City's Catastrophic Illness Program, under which City employees can donate accrued sick leave to other City employees suffering from catastrophic illness. Mr. Geoff Rothman of the HRD states that most comparable jurisdictions provide an LTD.

The estimated annual cost of this provision would be \$1,600,000, according to the Controller.

#### Pay Equity

The proposed MOU would continue the Pay Equity Agreement entered into under the current SEIU MOU for the first two years of the three-year MOU. The MOU would allocate up to \$2 million in FY 1997-98 and up to an incremental amount of \$1.5 million in FY 1998-99 for pay equity wage increases. The City and the SEIU would jointly conduct a study to assess the effectiveness and continued need for the Pay Equity program, to be completed by December 1, 1998. The contract would be reopened effective July 1, 1999 to determine the appropriate conditions under which the Pay Equity program should continue, if any. Any new economic provisions related to the Pay Equity program would require Board of Supervisors approval.

This provision would cost \$2 million in FY 1997-98 and an incremental \$1.5 million in FY 1998-99. The incremental cost in FY 1999-2000, if any, would not be determined until after December 1, 1998.

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### Supervisory Differential Adjustment

Under the existing MOU, covered permanent supervisory employees receive at least 5 percent or one full step more than the pay of the employees they supervise. The proposed MOU would extend this differential adjustment to provisional (non-permanent) employees who are in supervisory positions.

According to the Controller, this provision would not provide significant costs or savings to the City. Therefore the Controller did not estimate a cost or savings for this provision.

### Limit on Longevity Increases

Under the current MOU, employees receive a \$0.30 per hour longevity premium after completion of ten years of service. The proposed MOU would state that employees must serve ten years in the same classification in order to receive the longevity premium, except for employees already receiving the subject premium. According to the Controller, this provision would not provide significant costs or savings to the City. Therefore, the Controller did not estimate costs or savings for this provision.

### Tuition Reimbursement

The proposed MOU would allocate \$40,000 per year, or \$20,000 more than the current \$20,000 per year allocation, to the Tuition Reimbursement Program. Under this program, individual SEIU employees can receive up to \$500 (currently \$250) per fiscal year in reimbursement for the cost of courses pertaining to the duties of a higher class or to improve the employee's performance in the current class, subject to pre-approval by the employee's department and the DHR. The additional cost of this provision is \$20,000 per year.

### Return to Work

The proposed MOU states that the City can assign employees who are temporarily unable, because of a medical condition, to perform their regular jobs to "temporary modified duty," which can differ from the employee's regular job duties and from the regular job duties assigned to that class. The City would also be permitted to assign such employees to a different class or

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shift than their regular class or shift, if appropriate modified duty is not available on their regular class or shift. The proposed MOU would also clarify that employees receiving Temporary Disability, a Vocational Rehabilitation Maintenance Allowance or State Disability Insurance can supplement such payments with accrued sick leave, compensatory time off or vacation, up to, but not exceeding, the level of the employee's regular net salary. Mr. Kirschner states that the intent of this provision is to reduce Worker's Compensation costs. The Controller has not estimated the potential savings under this contract from this provision.

#### Layoffs and Retraining Program

The City would be required to provide 60 days' notice to employees regarding the elimination of their position, rather than the current 30 days' notice, under the proposed MOU. Employees with over 24 months (two years) of employment with the City would be entitled to participate in a reorientation/retraining program, to be developed by a joint committee of City/SEIU representatives. Employees facing elimination of their position, after completion of the bumping process, would have priority to select any existing vacancy for which they could qualify upon completion of training within a reasonable period of time (six months, unless extended by mutual agreement). Such position would be held open, or filled on a temporary basis, pending the employee's completion of the subject training. (See Comment No. 5.)

The MOU states that the City will bear the full costs of any retraining program, although the MOU also states that if the availability of funds is limited, disputes among affected employees will be resolved on the basis of seniority. The MOU does not specify a cap on City expenditures for the subject reorientation/retraining program. Mr. Kirschner states that the budget for such a retraining program would have to be approved by the Mayor and the Board of Supervisors.

The proposed MOU would also provide severance pay to all employees who are laid off, equivalent to two weeks' pay for each year of service. Employees could choose to receive severance pay rather than participate in the retraining program described above. Mr. Kirschner advises that currently, the City has no systemwide severance pay program, although severance pay is provided under the current MOU for employees laid off due to contracting out of

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services. According to the Controller, this provision would not provide significant cost or savings to the City. Therefore the Controller did not estimate a cost or savings for this provision.

**Summary of Known Estimated Costs of the Proposed  
Three-Year MOU Between the City and the SEIU**

The proposed MOU is structured so that salary increases and certain other items of compensation are phased in over the full three-year term of the contract. Attachment No. 1 to this report summarizes the Controller's estimate of the incremental costs of the three-year agreement from FY 1997-98 through FY 1999-2000, and provides the cumulative costs over the life of the contract. As shown in Attachment No. 1, the Controller estimates that the cumulative increased costs, over and above current wage and benefit provisions, for the total three-year period of the proposed MOU from FY 1997-98 through FY 1999-2000, will be at least \$106,230,272.

In addition to the known costs summarized above, the MOU would create a retraining program with unspecified costs and provide severance pay to any laid off employee. Also, the Pay Equity Agreement would be subject to reopening for FY 1999-2000. Finally, as noted above, the limitations on contracting out for both Proposition J and non-Proposition J contracts would potentially limit the City's ability to save money in cases where such services could be obtained at a lower cost than if performed by City employees.

**Comments:**

1. In the professional judgement of the Budget Analyst, the proposed reassignment rules would seriously limit the ability of City departments to hire the most qualified persons to fill vacancies. The proposed reassignment rules would give strong preference to individuals occupying the same class in the same department as the vacancy instead of permitting a broader internal or external selection process.

Currently, departments can opt to fill vacancies through the Civil Service testing process or through reassignment. Mr. Rothman states that, if departments opt to fill vacancies through reassignment, the current MOU requires the department to use seniority as the basis for selecting among qualified applicants. The proposed MOU would eliminate the department's option to use the Civil Service testing process as the first method of filling a vacancy. Instead, departments would be required to give

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

first priority to the three most senior qualified applicants in the same class and department as the vacancy. According to Mr. Kirschner, granting priority for internal candidates in filling vacancies is a fairly common practice in labor agreements, although Mr. Kirschner was unaware of specific examples of other SEIU MOUs in the public sector that contain this provision.

Mr. Rothman states that the proposed MOU does not require that departments appoint one of the three "qualified" individuals with the most seniority in the same class and department. Mr. Rothman states that the department could reject the three most senior "qualified" applicants in the same class and department as the vacancy to the extent that none are deemed "acceptable" based on the application of objective criteria. However, the Budget Analyst cautions that the issue of what constitutes a "qualified, acceptable" employee could give rise to litigation when departments seek to hire outside the class or even when departments hire one person in a class rather than another. Alternatively, department management might hire marginally qualified individuals rather than risk the filing of grievances.

The proposed reassignment rules would require that vacancies be posted for two weeks, and that the name of the selected applicant be posted for two weeks. Because of the lengthy posting requirements, and the fact that many more vacancies would be filled by hiring from within a class than is currently the practice, the proposed rules would potentially cause a ripple effect of vacancies within large departments (with many employees occupying the same class), lengthening the time it would take to return to full staffing. Mr. Rothman advises that the ripple effect of vacancies could potentially be controlled by establishment of orderly, annual bid processes or seniority rosters in large departments.

In the professional judgement of the Budget Analyst, the provision in Section 17.1 of the MOU stating that departments would not be permitted to utilize disciplinary records or written performance evaluations in determining whether an applicant for a reassignment is qualified for the position, would seriously hamper the ability of departments to select the best applicants to fill positions. The proposed MOU states that reassignments should not be arbitrary or capricious. In the professional judgement of the Budget Analyst, such reassignments are much more likely to be arbitrary and capricious if managers are not able to utilize

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

disciplinary records and written performance evaluations in making reassignments.

The Budget Analyst therefore concludes that the proposed new reassignment provisions should be carefully considered by the Board of Supervisors. In particular, the Budget Analyst recommends that the Board of Supervisors NOT approve the provision that would prohibit departments from utilizing disciplinary records or written performance evaluations in determining the qualifications of applicants for reassignment.

2. The proposed MOU contains various new, non-economic provisions related to grievance procedures, layoff notice requirements, accommodation of disabled employees, probationary periods, etc. A summary of the subject SEIU MOU, provided by the HRD, is provided in Attachment No. 2.

3. As noted earlier, although the restrictions on new requests for contracting out, with both private and nonprofit agency contractors, do not carry any direct costs, the Budget Analyst notes that the effect of the restrictions would be to limit the City's ability to save money in those cases where such services could be obtained at a lower cost than if performed by City employees. This provision would also significantly limit the flexibility of the City in determining the best way to provide many services. The Budget Analyst has previously recommended that the non-Proposition J contracts undergo a cost savings certification similar to the Proposition J contracts in order to determine if savings would in fact be achieved by contracting out. That recommendation has never been implemented.

Mr. Kirschner advises that, to his knowledge, no other current City contracts, pertaining to union employees other than SEIU, contain the restrictions on contracting out that are proposed in the subject MOU. However, Mr. Kirschner states that the San Francisco Unified School District (SFUSD) contract with SEIU prohibits contracting out, as does BART's current contract with the SEIU. Mr. Kirschner states that many private employers, such as hospitals, have approved contracting out restrictions. However, Mr. Kirschner was unaware of specific examples of other municipalities that have agreed to similar restrictions on contracting out to those proposed in the subject MOU.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

4. The proposed MOU would end the premium for outdoor traffic control, but would provide a one-time wage increase to all 8214 Parking Control Officers and 8216 Senior Parking Control Officers of \$0.55 per hour. The Budget Analyst notes that the current premium and the proposed wage increase are provided to compensate employees for outside work, who were hired to perform a job that is by definition conducted outside.

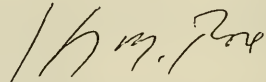
5. The proposed MOU would permit employees facing the elimination of their position to select any existing vacancy for which they could qualify upon completion of training in approximately six months time. This position would be held for the subject employee. Mr. Rothman advises that the Civil Service rules already require departments to hire laid off employees who are on a holdover list, if they are seeking to fill a vacancy in the same class and department where the employee was formerly employed, and they are not filling the vacancy by reassignment. However, this provision would permit such employees to select vacancies outside their former class and department. The Budget Analyst notes that this provision would limit the discretion of the affected department in filling the vacancy selected by the subject employee. However, Mr. Rothman states that all vacancies filled in this way would be subject to approval by the Civil Service Commission.

6. The proposed MOU contains a side-letter establishing a joint labor-management welfare reform committee, to address the impact of welfare reform upon the bargaining unit and to investigate the concept of an apprenticeship program for former welfare recipients. However, the side-letter states that current SEIU employees would not be displaced by persons hired as a result of such a public apprenticeship program.

7. A side letter to the proposed MOU commits the City and the SEIU to edit the subject MOU to improve its organization, delete provisions that are no longer applicable, consolidate overlapping sections and add an index. The editing process is not to be used to re-negotiate substantive terms of the agreement. The side letter states that this process is to be completed by June 30, 1998. Mr. Kirschner states that the revised MOU would not be subject to Board of Supervisors approval.

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

- Recommendations:**
1. Do not approve the provision that would prohibit departments from utilizing disciplinary records or written performance evaluations in determining the qualifications of applicants for reassignment.
  2. Approval of the proposed MOU is a policy decision for the Board of Supervisors.

  
Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Steve Agostini  
Stephen Kawa  
Ted Lakey

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 5, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: SEIU Local 250, Local 535, and Local 790 MOU (Revised 6/6/97)

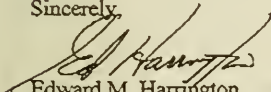
Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memorandum of Understanding between the City and County of San Francisco and Service Employees International Union Local 250, Local 535 and Local 790. The agreement covers the period July 1, 1997 through June 30, 2000, and affects approximately 9,800 employees with a salary base of approximately \$415 million.

Based on our analysis, the agreement will result in estimated incremental costs of approximately \$17.3 million in FY 1997-98, \$18.8 million in FY 1998-99, and \$16.6 million in FY 1999-00. The agreement will result in annual cost increases ranging from approximately 3.8% to 4.4% of base salaries over the three fiscal years. Please see Attachment A for specific cost estimates.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Attachment A  
SEIU Locals 250, 535, and 790  
Estimated Costs 1997-98 through 1999-00  
Controller's Office (Revised 6/6/97)

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>
<b>Wage Increases</b>			
1.75% on 7/1/97 and 1.5% on 1/1/98	\$10,377,879		
1.75% on 7/1/98 and 1.5% on 1/1/99		\$13,933,250	
1.75% on 7/1/99 and 1.5% on 1/1/00			\$14,389,738
<b>Premium Pay<sup>1</sup></b>	240,210		
<b>Internal Adjustments</b>	437,750	903,954	
<b>Pay Equity<sup>2</sup></b>	2,000,000	1,500,000	
<b>Wage-Related Fringe Increases</b>	2,000,155	2,502,880	2,204,508
<b>Other MOU Items</b>			
Tuition Fund Increase	20,000		
Long Term Disability Plan <sup>3</sup>	1,600,000		
P.O.S.T. Survey	20,000		
<b>Single Employees Full Premium Pick-up</b>	622,639	0	0
<b>Total Estimated Incremental Costs</b>	<u>17,318,633</u>	<u>18,840,064</u>	<u>16,594,246</u>
<b>Annual Amount Above 1996-97 Level</b>	17,318,633	36,158,697	52,752,943
<b>Cumulative Total Above 1996-97 Provisions</b>			\$106,230,272
<b>Incremental Cost % of Salary Base</b>	4.17%	4.39%	3.75%

<sup>1</sup> Premium changes include; additional classes eligible for public health night duty and adult protective services premiums, and new airport field officer training premium. The amount shown also includes a net cost of approximately \$20,000 due to conversion of the outdoor traffic control premium into a part of the base wage for parking control officers.

<sup>2</sup> Pay equity is subject to a re-opener for 1999-00.

<sup>3</sup> Cost could be lower or higher depending on premium rate and number of eligible employees. The amount shown is based on a preliminary estimate by both the City and the union of a premium cost of \$160 per year, with 10,000 eligible employees.

UPDATED SUMMARY OF TENTATIVE AGREEMENTS<sup>1</sup>  
CCSF & SEIU, LOCALS 250, 535 & 790  
JUNE 4, 1997

SECTION	DESCRIPTION OF CHANGE
SECTION 6 (B): REASONABLE ACCOMMODATION	CLARIFIES AND EXPANDS CITY'S NOTICE OBLIGATIONS REGARDING POTENTIAL CONFLICTS BETWEEN ADA AND MOU; REQUIRES DEPARTMENTS TO MAINTAIN FILES ON ACCOMMODATION REQUESTS; REQUIRES CITY TO EVALUATE OTHER POSSIBLE ASSIGNMENTS FOR DISABLED WORKER; AND TIES ACCOMMODATION REQUESTS TO TEMPORARY MODIFIED WORK DUTY ASSIGNMENTS (SEE SECTION 31(H)).

<sup>1</sup> THIS DOCUMENT SUMMARIZES MOST, BUT NOT ALL, OF THE TENTATIVE AGREEMENTS REACHED BETWEEN THE CITY AND THE SEIU JOINT COUNCIL. THIS DOCUMENT IS INTENDED TO BE DESCRIPTIVE ONLY AND IS NOT INTENDED TO CONTRADICT OR MODIFY THE ACTUAL TENTATIVE AGREEMENTS.

BOLD: ECONOMIC PROVISIONS; *ITALICS*: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 15: CONTRACTING OUT OF WORK	<p>PROVIDES THAT MAYOR SHALL INSTRUCT DEPARTMENT HEADS OVER WHOM HE HAS BUDGETARY AUTHORITY NOT TO CONTRACT OUT ROUTINE WORK CURRENTLY PERFORMED BY EXISTING EMPLOYEES OR TO LAYOFF EMPLOYEES OR ELIMINATE EXISTING BARGAINING UNIT POSITIONS AS A RESULT OF CONTRACTING OUT;</p> <p>PROVISION EXCLUDES SERVICES CURRENTLY CONTRACTED OUT, SERVICES REQUIRED TO BE CONTRACTED OUT, AND SERVICES FUNDED BY NEW SPECIAL REVENUES;</p> <p>LIMITATIONS CAN BE OVERRIDDEN IN EMERGENCY SITUATIONS BY MAJORITY OF BOARD OF SUPERVISORS AND MAYOR OR, IN CERTAIN CIRCUMSTANCES, BY ARBITRATOR;</p> <p>EXPANDS NOTICE OBLIGATIONS FOR CONTRACTS NOT COVERED BY PROPOSITION I; AND</p> <p>LIMITS NON-PROP J CONTRACTS TO ONE YEAR, EXCEPT UPON APPROVAL OF MAYOR.</p>
SECTION 17(F): SHIFT BIDDING	DEPARTMENTAL SHIFT BIDDING PROCEDURES SHALL BE MAINTAINED EXCEPT UPON MUTUAL AGREEMENT OF CITY AND AFFECTED DEPARTMENT.

SECTION	DESCRIPTION OF CHANGE
SECTION 17.1: REASSIGNMENT	<p>WHEN FILLING PERMANENT OR LONG TERM VACANCY, CITY SHALL GIVE PRIORITY TO REASSIGNMENT CANDIDATES, I.E., APPLICANTS IN THE SAME CLASS IN THE SAME DEPARTMENT;</p> <p>DEPARTMENT SHALL SELECT ONE OF THREE MOST SENIOR QUALIFIED APPLICANTS FOR POSITION ON BASIS OF OBJECTIVE CRITERIA REGARDING KNOWLEDGE, SKILLS, AND ABILITIES, BUT SHALL NOT CONSIDER WRITTEN PERFORMANCE EVALUATIONS OR DISCIPLINARY RECORD;</p> <p>IF DEPARTMENT DOES NOT SELECT ONE OF THREE MOST SENIOR QUALIFIED REASSIGNMENT APPLICANTS, POSITION SHALL BE FILLED BY ANY OTHER MEANS AUTHORIZED BY CSC RULES (SUCH AS TRANSFERS, PROMOTIONS, EXTERNAL HIRES);</p> <p>AND</p> <p>GRIEVANCES REGARDING REASSIGNMENT MAY BE INITIATED DIRECTLY WITH ERD DIRECTOR.</p>



SECTION	DESCRIPTION OF CHANGE
SECTION 19(A)(2): NIGHT DUTY FOR CERTAIN DPH CLASSIFICATION	EXPANDS "PATIENT CARE" NIGHT DUTY PREMIUM TO COVER ADDITIONAL SPECIFIED DPH CLASSIFICATIONS WHO ALSO WORK IN PATIENT CARE AREAS.
SECTION 19(D): SUPERVISORY DIFFERENTIAL	CLARIFIES PAYMENT OF SUPERVISORY DIFFERENTIAL; AND ALLOWS PROVISIONAL EMPLOYEES TO RECEIVE DIFFERENTIAL.
SECTION 20: HOLIDAYS	ALLOWS FLOATING HOLIDAYS TO BE TAKEN IN HOURLY INCREMENTS, SUBJECT TO APPROVAL OF APPOINTING OFFICER; AND CLARIFIES PAYMENT OF HOLIDAY COMPENSATION TO PROVISIONAL EMPLOYEES.
SECTION 21(A)(4)(D): APPOINTMENT ABOVE ENTRANCE RATE	ALLOWS CITY TO APPOINT NEW HIRE ABOVE ENTRANCE RATE DUE TO SPECIAL EXPERIENCE OR QUALIFICATIONS, WITHOUT REQUIRING THAT ALL OTHERS IN CLASSIFICATION BE RAISED TO SAME STEP.
SECTION 21(A)(6): LONGEVITY PAY	ELIMINATES LONGEVITY PAY (\$.30/HOUR) EXCEPT FOR EMPLOYEES WHO REMAIN IN SAME CLASSIFICATION FOR TEN CONTINUOUS YEARS.
SECTION 24(C): OUTDOOR TRAFFIC CONTROL PREMIUM	BUILDS \$.75 PER HOUR PREMIUM FOR WORKING OUTDOORS INTO BASE WAGES AT RATE OF \$.55 PER HOUR.
SECTION 24(F): AIRPORT FIELD OFFICER TRAINING PREMIUM	ADDS AIRPORT FIELD TRAINING PREMIUM OF 5% OR UP TO \$2.40 PER HOUR FOR TIME SPENT TRAINING NEW EMPLOYEES IN SAME CLASSIFICATION; AND AIRFIELD SAFETY OFFICERS IN SPECIFIED TRAINING POSITIONS ALSO RECEIVE TRAINING PREMIUM WHILE PREPARING TRAINING MATERIALS AND TRAINING OTHER EMPLOYEES.
SECTION 25: GENERAL WAGE INCREASE	3.25% INCREASE FOR EACH OF THREE YEARS OF CONTRACT, PAYABLE 1.75% IN JULY AND 1.5% IN JANUARY OF EACH YEAR.

BOLD: ECONOMIC PROVISIONS; ITALIC: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 26: INTERNAL ADJUSTMENTS	<p>CREATES STANDARDS FOR PROVIDING INTERNAL ADJUSTMENTS FOR PARTICULAR CLASSIFICATIONS SOUGHT BY EITHER UNION OR CITY;</p> <p>SETS CAP OF ALL SUCH INTERNAL ADJUSTMENTS OVER LIFE OF CONTRACT AT \$1.4 MILLION (APPROXIMATELY 3% OF ANNUAL PAYROLL);</p> <p>PROVIDES FOR MUTUALLY AGREEABLE ADJUSTMENTS TO TAKE EFFECT FOLLOWING APPROVAL BY BOARD OF SUPERVISORS, EITHER ON MARCH 1, 1998 OR JULY 1, 1999; AND</p> <p>ESTABLISHES ARBITRATION PROCEDURE FOR RESOLUTIONS OF DISPUTES.</p>
SECTION 27: GRIEVANCE PROCEDURE	<p>PROVIDES GUIDELINES FOR WHAT INFORMATION IS INCLUDED IN GRIEVANCE;</p> <p>ALLOWS GRIEVANCES RELATING TO SUSPENSIONS OR TERMINATIONS TO BE FILED AT STEP TWO OF PROCEDURE;</p> <p>PROVIDES THAT GRIEVANCES SHOULD BE RESOLVED EXPEDITIOUSLY AND MODIFIES DEADLINES FOR MOVING STEPS;</p> <p>PROVIDES THAT AGREEMENTS TO EXTEND DEADLINES MUST BE IN WRITING;</p> <p>CLARIFIES THAT ERD DIRECTOR HAS AUTHORITY TO SETTLE GRIEVANCES AT HIS/HER STEP, SUBJECT TO APPLICABLE LAW;</p> <p>REQUIRES THAT ARBITRATIONS BE SCHEDULED SOON AFTER UNION REQUESTS ARBITRATION;</p> <p>EXPANDS TYPES OF GRIEVANCES THAT MAY PROCEED TO EXPEDITED ARBITRATION; AND</p> <p>REQUIRES THAT PARTY CANCELLING EXPEDITED ARBITRATION MUST PAY CANCELLATION COSTS.</p>
SECTION 31(A): HEALTH AND SAFETY	<p>ALLOWS CITY TO RESOLVE HEALTH AND SAFETY DISPUTES THROUGH ARBITRATION.</p>

BOLD: ECONOMIC PROVISIONS; *ITALICS*: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 31(H): RETURN TO WORK	<p>EXPANDS CITY'S ABILITY TO RETURN INURED EMPLOYEES TO TEMPORARY MODIFIED WORK DUTY ASSIGNMENTS, INCLUDING WORK OUTSIDE THE EMPLOYEE'S OWN CLASSIFICATION, DEPARTMENT, AND SHIFT;</p> <p>CLARIFIES SUPPLEMENTATION OF STATE DISABILITY PAYMENTS WITH EMPLOYEE'S OWN ACCRUED TIME OFF; AND</p> <p>LIMITS EXISTING SUPPLEMENTAL DISABILITY INCOME CREDIT PROGRAM ("PHANTOM ACCOUNT") TO APPROXIMATE NET PAY RATHER THAN GROSS PAY.</p>
SECTION 33: LAYOFFS	<p>WITH LIMITED EXCEPTIONS, INCREASES NOTICE REQUIRED FOR LAYOFFS FROM 30 TO 60 DAYS;</p> <p>REQUIRES THAT ALL EMPLOYEES WITH MORE THAN 2 YEARS' SENIORITY SHALL BE ELIGIBLE FOR RETRAINING PROGRAM FOR EXISTING VACANCY THAT THE EMPLOYEE MAY BE QUALIFIED FOR WITHIN 6 MONTHS;</p> <p>EMPLOYEES IN RETRAINING PROGRAM HAVE PRIORITY TO FILL SPECIFIED VACANCY (PROVISION SUBJECT TO APPROVAL OF CIVIL SERVICE COMMISSION);</p> <p>DESIGNATED VACANCIES SHALL BE HELD OPEN FOR RETRAINED EMPLOYEE AND SHALL ONLY BE FILLED IN MEANTIME ON TEMPORARY BASIS;</p> <p>LAI D OFF EMPLOYEES SHALL RECEIVE TWO WEEKS' SEVERANCE FOR EACH YEAR OF SERVICE UPON FORFEITURE OF HOLDOVER RIGHTS;</p> <p>EMPLOYEE ELECTING RETIREMENT WITHIN TWO YEARS OF RECEIPT OF SEVERANCE FORFEITS SEVERANCE PAYMENT; AND</p> <p>CONTRACT SHALL BE REOPENED IF CHARTER IS AMENDED TO ALLOW NEGOTIATION AND ARBITRATION OF RETIREMENT BENEFITS.</p>

BOLD: ECONOMIC PROVISIONS; ITALICS: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 34: PROBATIONARY PERIODS	<p>CONSOLIDATES SEVERAL SECTIONS IN CONTRACT REGARDING PROBATIONARY PERIODS;</p> <p>CLARIFIES THAT ALL PROBATIONARY PERIODS ARE 6 MONTHS, WITH SPECIFIED EXCEPTIONS;</p> <p>INCREASES ALL 30 DAY PROBATIONARY PERIODS TO 45 DAYS; AND</p> <p>ALLOWS PROVISIONAL EMPLOYEES WHO BECOME PERMANENT TO OFFSET 6 MONTH PROBATIONARY PERIOD WITH TIME SERVED AS PROVISIONAL, DOWN TO 45 DAY PROBATIONARY PERIOD.</p>
SECTION 36(C): EMPLOYEE ONLY COVERAGE	<p>REQUIRES CITY TO PICK UP COST OF EMPLOYEE ONLY COVERAGE FOR MEDICALLY SINGLE EMPLOYEES WHO DO NOT RECEIVE \$225 PER MONTH DEPENDENT CARE PICK UP.</p>
SECTION 36(E): BENEFITS WHILE ON UNPAID LEAVE	<p>ALLOWS CITY TO CEASE PAYING FOR HEALTH CARE PLANS FOR EMPLOYEES ON UNPAID STATUS FOR MORE THAN 12 CONSECUTIVE WEEKS, EXCEPT FOR EMPLOYEES ON SICK LEAVE, WORKERS COMPENSATION, MANDATORY ADMINISTRATIVE LEAVE, APPROVED PERSONAL LEAVE FOLLOWING FAMILY CARE LEAVE, AND WHILE ON LAYOFF HOLDOVER LIST WHEN EMPLOYEE VERIFIES NO ALTERNATIVE COVERAGE.</p>
SECTION 36(F): SCHEDULING TEMPORARY EMPLOYEES	<p>VERIFIES THAT THE CITY DOES NOT INTEND TO SCHEDULE EMPLOYEES WORKING LESS THAN 20 HOURS PER WEEK FOR THE PURPOSE OF AVOIDING THE PAYMENT OF BENEFITS.</p>
SECTION 36(G): LONG TERM DISABILITY PLAN	<p>CITY TO PROVIDE LONG TERM DISABILITY PLAN FOR EMPLOYEES; AND</p> <p>EMPLOYEES MAY NOT RECEIVE BENEFITS UNDER BOTH LTD AND CATASTROPHIC ILLNESS PROGRAM.</p>

BOLD: ECONOMIC PROVISIONS; *ITALICS*: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 37: PAY EQUITY	CITY TO FUND CURRENT PAY EQUITY PROGRAM FOR FISCAL YEAR 1997-98 WITH \$2 MILLION AND FOR FISCAL YEAR 1998-99 WITH \$1.5 MILLION;  CITY AND UNION JOINTLY TO STUDY PAY EQUITY PROGRAM TO DETERMINE IF PROGRAM IS MEETING ITS GOALS; AND  REOPEN ON JULY 1, 1999 ON ISSUE OF DETERMINING THE APPROPRIATE CONDITIONS, IF ANY, UNDER WHICH PAY EQUITY SHOULD CONTINUE.
SECTION 40(B): PARENTAL RELEASE TIME	CLARIFIES THAT EMPLOYEES ARE GRANTED TWO HOURS OF PAID RELEASE TIME PER SEMESTER TO ATTEND PARENT TEACHER CONFERENCES;  ALLOWS EMPLOYEES TO TAKE ADDITIONAL UNPAID TIME FOR SIMILAR PURPOSES, CONSISTENT WITH STATE LAW; AND  ALLOWS EMPLOYEES TO USE ACCRUED FLOATING HOLIDAY, VACATION, OR COMPENSATORY TIME DURING SUCH ABSENCES.
SECTION 43(D): RETIREMENT BUY BACK	CONFIRMS CITY'S COMMITMENT TO PURSUE RETIREMENT BUY BACK PROGRAM.
SECTION 44: OUT OF CLASS WORK	REDUCES AMOUNT OF ACTING ASSIGNMENT PAY FOR EMPLOYEE BELOW THE TOP SALARY STEP TO ONE SALARY STEP ABOVE EMPLOYEE'S BASE SALARY; AND  CLARIFIES THAT EMPLOYEE AT TOP SALARY STEP RECEIVES AT LEAST 5% MORE THAN HIS/HER BASE RATE.
SECTION 46: PERSONNEL FILES	INCORPORATES PARTIES' PRIOR TENTATIVE AGREEMENT REGARDING CIVIL SERVICE LITIGATION TO PRECLUDE USE OF DISCIPLINARY ACTION MATERIALS THAT HAVE BEEN IN EMPLOYEE'S PERSONNEL FILE FOR 3 YEARS OR MORE AND TO REQUIRE REMOVAL OF SUCH MATERIALS, AT EMPLOYEE'S REQUEST, UNLESS THERE HAS BEEN A RECURRENCE OF THE CONDUCT ON WHICH THE DISCIPLINE WAS BASED.



BOLD: ECONOMIC PROVISIONS; *ITALICS*: OTHER SIGNIFICANT PROVISIONS

SECTION	DESCRIPTION OF CHANGE
SECTION 48: COMMUTER CHECK	COMMITTS CITY TO INVESTIGATE COMMUTER CHECK PROGRAM.
SECTION 49: CAREER OPPORTUNITIES	<p>CREATES CAREER OPPORTUNITIES PROGRAM THROUGH CONSOLIDATION OF SEVERAL EXISTING PROGRAMS RELATING TO TRAINING AND RETRAINING;</p> <p>INCREASES TUITION REIMBURSEMENT FUND FROM \$20,000 TO \$40,000;</p> <p>CLARIFIES ELIGIBILITY FOR VARIOUS TRAINING PROGRAMS; AND</p> <p>EXPANDS EXISTING TRAINING COMMITTEE TO INCLUDE RETRAINING AND CAREER DEVELOPMENT ISSUES.</p>
SECTION 50: <i>WELFARE REFORM</i>	<p><i>ESTABLISHES JOINT LABOR-MANAGEMENT WELFARE REFORM COMMITTEE TO ADDRESS IMPACT OF WELFARE REFORM UPON BARGAINING UNIT, INCLUDING INVESTIGATION OF APPRENTICESHIP PROGRAM FOR FORMER WELFARE RECIPIENTS;</i></p> <p><i>PRECLUDES DISPLACEMENT OF CURRENT BARGAINING UNIT EMPLOYEE BY PERSON HIRED AS A RESULT OF PUBLIC APPRENTICESHIP PROGRAM; AND</i></p> <p><i>PROVIDES THAT SEIU SHALL REPRESENT PUBLIC APPRENTICES WORKING IN POSITIONS REPRESENTED BY SEIU.</i></p>
SECTION 54: <i>NON-PERMANENT EMPLOYEES</i>	<p><i>CONSOLIDATES VARIOUS SECTIONS AND SIDE LETTERS RELATING TO CITY'S USE OF PROVISIONAL EMPLOYEES;</i></p> <p><i>PROVIDES SEVERANCE FOR CERTAIN ELIGIBLE PROVISIONAL EMPLOYEES NOT APPOINTED TO PERMANENT POSITIONS;</i></p> <p><i>PROVIDES FOR MAYOR TO MAKE PERMANENT APPOINTMENTS FOR SPECIFIED PROVISIONAL EMPLOYEES IN HIS OFFICE; AND</i></p> <p><i>CONFIRMS RECREATION AND PARK DEPARTMENT'S COMMITMENT TO INCREASE PROPOSED NUMBER OF FULL TIME PERMANENT POSITIONS.</i></p>

SECTION	DESCRIPTION OF CHANGE
SECTION 60: PEACE OFFICER STATUS	REPLACES CITY'S OBLIGATION TO SEEK LEGISLATIVE CHANGE PROVIDING PEACE OFFICER STATUS FOR INSTITUTIONAL POLICE WITH OBLIGATION TO REQUEST POST STUDY OF THE ISSUE; AND  OBLIGATES CITY TO TAKE ALL REASONABLE ACTIONS TO IMPLEMENT CONCLUSIONS OF POST STUDY.
SECTION 61: DURATION OF AGREEMENT	THREE YEAR AGREEMENT.
CIVIL SERVICE SUPPLEMENTAL AGREEMENT	INCORPORATES PARTIES' PREVIOUS TENTATIVE AGREEMENT TO REVISE SUPPLEMENTAL CIVIL SERVICE AGREEMENT TO SPECIFY CIVIL SERVICE CARVE OUTS AND MODIFY ATTACHED CIVIL SERVICE RULES.
CIVIL SERVICE RULE RE SICK LEAVE (B)(6): BATTERY LEAVE	CLARIFIES THAT APPROVED BATTERY PAY PAID RETROACTIVE TO DATE OF INJURY.
SIDE LETTER RE REFERENCES TO SCHOOL DISTRICTS	ACKNOWLEDGES THAT MODIFICATIONS OF CONTRACT SHALL NOT AFFECT PARTIES' RESPECTIVE POSITIONS IN LITIGATION REGARDING WHETHER SFUSD AND/OR CCD ARE COVERED BY THE CONTRACT.
SIDE LETTER RE REORGANIZATION OF CONTRACT	OBLIGATES PARTIES DURING FISCAL YEAR 1997-98 TO REORGANIZE AND TO CONSOLIDATE CONTRACT.
SIDE LETTER RE ONE-TIME BONUS FOR CLASS 2914 SOCIAL WORK SUPERVISOR ASSIGNED TO ADULT PROTECTIVE SERVICES	CORRECTS OMISSION FROM 1994-1997 CONTRACT AND OBLIGATES CITY TO PAY ONE-TIME ONLY LUMP SUM BONUS TO SINGLE INCUMBENT EMPLOYEE IN CLASS 2914 WHO IS ASSIGNED TO ADULT PROTECTIVE SERVICES UNIT.

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97-98  
CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

BUDGET ANALYST

1390 MARKET STREET, SUITE 1025

SAN FRANCISCO, CALIFORNIA 94102 • TELEPHONE (415) 554-7642

June 13, 1997

**TO:** Finance Committee

DOCUMENTS DEPT

**FROM:** Budget Analyst

JUN 17 1997

**SUBJECT:** Mayor's Recommended FY 1997-98 Budget

SAN FRANCISCO  
PUBLIC LIBRARY

The Budget Analyst has conducted a detailed review of the Mayor's recommended FY 1997-98 budget and has prepared reports and recommendations to reduce the Mayor's recommended budget. Our reports describe the service impacts resulting from the Mayor's recommended budget when services are affected and contains recommendations to reduce and reserve various budgeted items. The recommendations of the Budget Analyst to reduce the Mayor's budget, to be considered by the Finance Committee over the next two weeks, would not result in any existing service level reductions.

The following highlights some of the data contained in the Mayor's recommended 1997-98 budget:

1. The Mayor's recommended FY 1997-98 budget of \$3,401,672,433 is \$219,332,573 or approximately 6.9 percent more than the FY 1996-97 budget of \$3,182,339,860 as finally approved in the FY 1996-97 Annual Appropriation Ordinance.

2. The Mayor's recommended FY 1997-98 total General Fund budget of \$1,599,506,780 is \$98,657,185 more than the FY 1996-97 General Fund budget \$1,500,849,595, representing a increase of 6.6 percent.

3. The Mayor's recommended FY 1997-98 budget includes 25,376 funded positions or 661 more positions than the 24,715 funded positions shown in the revised FY 1996-97 budget approved by the Mayor and the Board of Supervisors.

565 or 85 percent of the 661 new positions are funded from General Fund and General Fund-Supported departments. Of the 565 new General Fund positions, the largest position increases include 120 in the Municipal Railway, 114 in the

Memo to Budget Committee  
June 13, 1997

Department of Public Health, 74 in the Public Library, 45 in the Police Department, 37 in the Sheriff's Department, 19 in the Trial Courts, 19 in the Mayor's Office, 13 in the City Attorney's Office, 11 in the Human Resources Department, 11 in the Human Rights Commission, and 9 in the Recreation and Park Department. Another major increase in positions is 75 for the Human Services Department. Some of these increases in positions, such as Public Health and the Public Library, are largely the result of the full year cost of supplemental appropriations approved during the 1996-97 Fiscal Year.

The table below provides comparative data for General Fund Expenditures and other uses of funds between the original, 1996-97 budget and the Mayor's Recommended 1997-98 Budget.

General Fund  
Comparison of Expenditures and Other Uses

USES OF FUNDS	1996-97 <u>Original</u>	1996-97 <u>Revised</u>	1997-98 <u>Proposed</u>	Increase (Decrease) from 1995-96 <u>Original</u>	Percent Increase (Decrease) from <u>Original</u>
<u>Regular Expenditures</u>					
Gross Expenditures	\$1,462,238,979	\$1,531,232,311	\$1,574,418,751	\$112,179,772	7.7%
Less Interdepartmental Recoveries	<u>(85,622,883)</u>	<u>(129,741,628)</u>	<u>(119,354,356)</u>	<u>(33,731,473)</u>	39.4%
Net Regular Expenditures	1,376,616,096	1,401,490,683	1,455,064,395	78,448,299	5.7%
Capital Improvement/ Facilities Maintenance	14,838,700	14,549,810	15,124,226	285,526	1.9%
Contributions to General Fund Supported Departments	73,097,368	73,013,473	77,440,194	4,342,826	5.9%
Reserves	21,642,773	16,968,823	40,977,965	19,335,192	89.3%
General Fund Reserve	<u>14,654,658</u>	<u>14,112,657</u>	<u>10,900,000</u>	<u>(3,754,658)</u>	(25.6%)
Total Uses of Funds	\$1,500,849,595	\$1,520,135,446	\$1,599,506,780	\$98,657,185	6.6%

4. The Mayor's recommended FY 1997-98 budget contains a General Fund Reserve of \$10,900,000, which is \$3,754,658 or 25.6 percent less than the \$14,654,658 General Fund Reserve as finally approved in the FY 1996-97 Annual Appropriation Ordinance.



Other General Fund Reserves have been established for specific purposes as follows:

Reserve for Salary and Benefits	\$22,833,178
Reserves for Litigation	8,996,195
Reserve for Audit Adjustments	4,500,000
Reserve for Court Mentor Program	100,000
Reserve for Network Project (Technology Improvements)	1,000,000
Reserve for Police Academy on Treasure Island	1,448,592
Reserve for Treasure Island Brig	<u>2,100,000</u>
Total	\$ 40,977,965

In addition, the City has an Emergency Reserve Fund balance of \$4,198,046 carried forward from FY 1996-97 into FY 1997-98.

5. The March 12, 1997 Joint Report prepared by the Mayor's Director of Finance, the Controller and the Budget Analyst, projected a General Fund revenue shortfall of \$67.7 million for Fiscal Year 1997-98, and an estimated \$40 million in potential additional costs of Federal Welfare Reform. Because of potential increased General Fund expenditures resulting from Federal Welfare Reform, the Mayor has recommended an amendment to the FY 1997-98 Administrative Provisions of the Annual Appropriation Ordinance. This amendment places a 10 percent reserve on professional services contracts and reserves any unanticipated revenues and non-expended appropriations which may occur during FY 1997-98 in order to make such reserved funds available to address Welfare Reform costs as necessary. Excluding Federal Welfare Reform, the \$67.7 million shortfall resulted from the net difference between an estimated revenue increase of \$28.0 million, offset by an anticipated decrease in the yearend surplus available to fund the 1997-98 budget of \$8.0 million and an increase in expenditures of \$87.7 million.

The projected shortfall was eliminated by increased revenues, including the 1996-97 year end surplus available to fund the 1997-98 budget, and the elimination of expenditure increases that were anticipated by the March, 1997 Joint Report that were not approved in the Mayor's recommended FY1997-98 budget. The Joint Report projected a 1996-97 yearend surplus of \$24.5 million that would be available to fund the 1997-98 budget. The actual surplus is approximately \$51.5 million, an increase of \$27.0 million over the Joint Report projection. In addition, the Hetch Hetchy equity transfer to the General Fund is \$8.0 million greater than the Joint Report projection. Continued revenue growth during the second half of 1996-97 has increased General Fund revenues used to fund the 1997-98 budget by \$16.8 million. Increased Muni revenues total \$10.1 million (\$5.4 million in fare revenue and \$4.7 million in Sales Tax allocations by the Metropolitan Transportation Commission). The Joint Report projected Health revenue losses of \$6.6 million. Instead, such revenues are approximately \$1.0 million greater than 1996-97 revenues, an improvement of \$7.6 million over the Joint Report projection. Recreation and Park Department revenues have

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



increased by \$2.2 million and Department of Human Services Welfare Administration revenues have increased by \$2.7 million over the Joint Report projection. These revenue increases total \$74.4 million, or \$6.7 million more than the projected shortfall of \$67.7 million.

The Joint Report projected increased expenditures for non-salary general operating and maintenance costs of \$6.3 million. The Mayor's recommended 1997-98 budget did not include these increases. Lastly, the total increased General Fund expenditures related to salary increases in the recommended 1997-98 budget are \$3.4 million less than the Joint Report projection. These lower than anticipated costs total \$9.7 million which, when added to the \$74.4 million in revenue improvements discussed above, total \$84.1 million, or \$16.4 million more than the previously projected shortfall of \$67.7 million. This \$16.4 million in increased General Fund revenues has been used as the source of funds for new positions and other new expenditures in the Mayor's recommended Fiscal Year 1997-98 budget.

As was the case when the Joint Report was written in March, 1997, any effect of pending or proposed Federal or State legislation, including potentially major changes due to Welfare Reform, could have a significant adverse impact on the 1997-98 budget. As previously reported, the Mayor's recommended 1997-98 budget (a) places a 10 percent reserve on professional services contracts and (b) reserves unanticipated revenues and non-expended appropriations which may occur during FY 1997-98 in order to make such reserved funds available for addressing Welfare Reform as necessary.

6. Based on a detailed review, the Budget Analyst has estimated that the following General Fund expenditures in the Mayor's recommended FY 1997-98 budget are underbudgeted:

<u>Estimated Underbudgeted General Fund Expenditures</u>	<u>Amount Underbudgeted</u>
Police Overtime	\$ 2,600,000
Community Health Network - Primary Care Clinics	<u>1,000,000</u>
Total Estimated General Fund Underbudgeted Expenditures	\$3,600,000

The Department of Public Health reports that the \$1.0 million underbudgeted amount for Primary Care Clinics shown above is expected to be offset by either new San Francisco General Hospital revenues or a reallocation of staffing among all clinics under the Community Health Network.

Based on our analysis, the Budget Analyst estimates that, for the first time in several years, the Mayor's recommended budget includes sufficient funding for projected Workers Compensation costs, based on current year total spending, including recent supplemental appropriations, for such expenditures. In addition, the Mayor's recommended budget includes \$1,000,000 for contractual

services to provide bill review services and preferred provider re-pricing along with pre-certification, and utilization review services. The Department of Public Transportation Municipal Railway budget, which includes the highest expenditures for Workers Compensation, has added a Hearing Officer position and includes continued funding for a Workers Compensation Management Program which started in the current 1996-97 Fiscal Year after approval of a supplemental appropriation by the Board of Supervisors.

7. The Mayor's recommended FY 1997-98 budget reflects the results of several departmental reorganizations that have taken place during 1996-97. These reorganizations include:

- The Assessor and Recorder's Offices have been combined to form a single department, the Assessor-Recorder.
- The County Clerk's Office has been consolidated with the Department of Administrative Services.
- The Airport Police has merged with the San Francisco Police Department.
- Paramedics have separated from the San Francisco General Hospital and merged with the San Francisco Fire Department.
- The Department of Public Health has reorganized from four departments (Community Public Health, Mental Health, San Francisco General Hospital and Laguna Hospital) to two, Public Health and the Community Health Network. Public Health is comprised of the former Community Public Health and Mental Health Departments and the Community Health Network is comprised of San Francisco General Hospital, Laguna Honda Hospital and Primary Care and Forensic Ambulatory Care clinics that were formerly under Community Public Health.
- The Clean Water Program was transferred from the Department of Public Works to the Public Utilities Commission.

In each instance, the budgets for the departments involved in the reorganizations mentioned above have been recast to accurately preserve historical revenue, expenditure and position detail information and to present such information on a basis that facilitates comparison of such budgetary information on a year to year basis. The Budget Analyst commends the work of the Mayor's Budget Office, the Controller and the respective City Departments for their efforts in this regard.

8. The Mayor's recommended FY 1997-98 budget includes a \$1.5 million appropriation of surplus Hotel Tax funds for the Mayor's Office of Protocol. A

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

proposed ordinance has been submitted to the Board of Supervisors that would reallocate Hotel Tax Funds from the Convention and Visitor Bureau to the Mayor's Office of Protocol. The Mayor's recommended FY 1997-98 budget includes an allocation of \$7,035,000 for the Convention and Visitor Bureau from Hotel Tax funds which is \$456,054 more than FY 1996-97. This budgeted amount for the Convention and Visitors Bureau reflects its current Hotel Tax allocation and not the reduced allocation that would result from the proposed amendment to the Hotel Tax Ordinance. The Budget Analyst notes that a second amendment to the Hotel Tax Ordinance which would reallocate Hotel Tax funds for the maintenance and operation of City Cultural Centers is also pending before the Board of Supervisors.

9. The Budget Analyst will be presenting recommendations to reduce expenditures in the Mayor's recommended FY 1997-98 budget without reducing services. Significant recommendations will be presented for the following City Departmental budgets to be considered by the Finance Committee at its meeting of June 17, 1997:

<u>Department</u>	<u>Budget Analyst's Recommended Expenditure Reductions</u>
Trial Courts	\$ 1,335,469 *
Sheriff	426,804
Police	775,782
Fire	2,150,104
Human Resources	<u>810,560</u>
Total	\$5,498,719

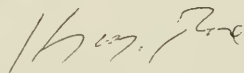
\* The budget of the Trial Courts is not subject to review by the Mayor and only the Board of Supervisors can reduce the budget of the Trial Courts.

The recommendations of the Budget Analyst are subject to change over the next two weeks based on new information provided by City Departments.

10. The Board of Supervisors has requested that the Budget Analyst report on whether or not contracts that come before the Board of Supervisors have been certified by the Human Rights Commission as complying with the Equal Benefits Ordinance that became effective June 1, 1997. There are many existing contractors for whom funds are budgeted in the Mayor's recommended 1997-98 budget, and some may not comply with the Equal Benefits Ordinance. According to Ms. Cynthia Goldstein of the Human Rights Commission, the Human Rights Commission is currently surveying all existing contractors to determine which contractors comply. In addition, Ms. Goldstein explains that when existing contractors either renew or amend their contractual agreements with the City, compliance with the Equal Benefits Ordinance will be mandatory.

11. The results of the Budget Analyst's review are detailed in three separate reports to the Finance Committee. Each report contains the recommendations of the Budget Analyst, along with explanations supporting those recommendations. These reports are as follows:

- General Administration and Finance and Public Protection (June 17, 1997, 1:00 p.m.)
- Culture and Recreation and Public Works, Transportation and Commerce (June 18, 1997, 1:00 p.m.)
- Human Welfare, Community Health - Department of Public Health, General City Responsibilities and Capital Projects (June 19, 1997, 1:00 p.m.)

  
Harvey M. Rose

cc: Supervisor Leal	Supervisor Teng
President Kaufman	Supervisor Yaki
Supervisor Brown	Supervisor Yee
Supervisor Ammiano	Clerk of the Board
Supervisor Bierman	Controller
Supervisor Katz	Steve Agostini
Supervisor Medina	Stephen Kawa
Supervisor Newsom	Ted Lakey





# CALENDAR

## Finance Committee Board of Supervisors City and County of San Francisco

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### SPECIAL MEETING

WEDNESDAY, JUNE 17, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky

### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ◆ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ◆ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

SPECIAL MEETING

TUESDAY, JUNE 17, 1997 - 1:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVENUE  
ROOM 410

MEMBERS: SUPERVISORS SUSAN LEAL, BARBARA KAUFMAN, AMOS BROWN

CLERK: ROSEMARY LITTLE-HORANZY

1. File 170-97-4. [Airport Leases; Airport Revenue Bonds] Resolution approving the fuel system lease by and between the City and County of San Francisco acting through its Airport Commission and SFO Fuel Company LLC; approving early termination of a lease between the City and County of San Francisco acting through its Airport Commission and Chevron U.S.A.; approving the issuance of up to \$125,000,000 aggregate principal amount of San Francisco International Airport Special Facilities Lease Revenue Bonds (SFO Fuel Company LLC) in one or more series for the purpose of financing certain fuel system improvements at San Francisco International Airport; approving the maximum interest rate thereon and the Trust Agreement related thereto; and providing for the delegation of certain matters to the Airport Commission. (Airport Commission)

ACTION:

2. File 170-97-5. [Airport Revenue Bonds] Resolution approving the issuance of up to \$400,000,000 aggregate principal amount outstanding at any one time of San Francisco International Airport Subordinate Commercial Paper Notes in one or more series for the purpose of financing and refinancing certain capital improvements at San Francisco International Airport; approving the maximum interest rate thereon; approving the issuance of up to \$435,506,850 aggregate principal amount outstanding at any one time of San Francisco International Airport Subordinate Revenue Notes in one or more series; and approving the maximum interest rate thereon. (Airport Commission)

ACTION:

3. File 170-97-6. [BART/Airport Agreements; Airport Revenue Bonds] Resolution approving the Development Agreement, the lease and the west of Bayshore Easement Agreement between BART and the City and County of San Francisco through its Airport Commission; approving the issuance of up to \$220,000,000 aggregate principal amount of San Francisco International Airport Second Series Revenue Bonds in one or more series for the purpose of financing certain capital improvements at San Francisco International Airport and approving the maximum interest rate thereon. (Also see Files 27-96-13 and 27-96-13.1). (Airport Commission)

ACTION:

4. File 106-97-1. [Compensation, Superior/Municipal Courts, FY97-98] Ordinance setting schedules of compensation and other economic benefits for certain classifications of persons employed by the Superior and Municipal Courts for the City and County of San Francisco. (Superior and Municipal Courts)

ACTION:

5. File 93-97-41. [Amendment to MOU, Local 200 (S.E.A.M.)] Ordinance amending Ordinance No. 233-95 to implement the provisions of an amendment to the Memorandum of Understanding between the Transport Workers Union, Local 200 (S.E.A.M.) and the City and County of San Francisco regarding wages to be effective for the period July 1, 1997 through June 30, 1998. (Also see Files 93-95-46 and 93-95-46.1). (Department of Human Resources)  
(Continued from 6/11/97 as amended.)

ACTION:

6. File 170-97-7.1. [Earthquake Safety Loan Bonds, 1992] Resolution declaring that the public interest and necessity demand the acquisition, construction or reconstruction by the City and County of the following municipal improvements, to wit: construction and/or reconstruction of buildings owned by the City and County, including earthquake repairs and earthquake hazards reduction, in an amount not to exceed \$50,000,000 and seismic strengthening of unreinforced masonry buildings that the City and County acquires title to through condemnation or other enforcement proceedings; including related environmental remediation, disabled access, life/safety improvements and acquisition, construction and reconstruction necessary or convenient for the foregoing purposes; and that the estimated cost of \$196,800,000 for said municipal improvements is and will be too great to be paid out of the ordinary annual income and revenue of said City and County and will require an expenditure greater than the amount allowed therefor by the annual tax levy and will require the incurring of a bonded indebtedness; initiating proceedings to authorize the City to obtain the consent of the voters to (1) modify the purposes for which the remaining unspent bond proceeds from the Earthquake Safety Loan Bonds, previously approved by the voters as Proposition A in November 1992, and allocated to loans for market-rate buildings may be spent to include the municipal improvements specified above; and (2) modify the purposes for which the remaining authorization for said Proposition A bonds allocated to loans for market-rate buildings may be used to include the municipal improvements specified above; companion measure to File 170-97-7 and File 170-97-7.2. (Mayor Willie L. Brown, Jr.)

ACTION:

## LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 54-97-7, Board of Supervisors Community Outreach/Constituent Liaison, (Supervisor Katz), 30 day Rule expires 6/18/97.

File No. 172-97-28, Bulk Natural Gas Agreements, Ordinance, (Public Utilities Commission), 30 day Rule expires 6/27/97.

File No. 108-97-3, Travel Allowance Limitation, United Airlines, (Supervisor Ammiano), 30 day Rule expires 7/9/97.

File No. 27-97-6, International Airport Limitation, United Airlines, (Supervisor Kaufman), 30 day Rule expires 7/9/97.

File No. 170-97-7.1, Modify purposes and use of 1992 earthquake safety loan bonds, (Mayor), 30 day Rule expires 7/9/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE  
SAN FRANCISCO BOARD OF SUPERVISORS  
401 VAN NESS AVENUE, ROOM 308  
VETERANS BUILDING  
SAN FRANCISCO, CA 94102

HEARING NOTICE

CITY AND COUNTY



OF SAN FRANCISCO

## BOARD OF SUPERVISORS

### BUDGET ANALYST

1390 Market Street, Suite 1025, San Francisco, CA 94102 (415) 554-7642  
FAX (415) 252-0461

June 13, 1997

**TO:** Finance Committee

**FROM:** Budget Analyst *Recomm. letter to the Board*

DOCUMENTS DEPT.

**SUBJECT:** June 17, 1997 Finance Committee Meeting

JUN 17 1997

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Items 1, 2, and 3 - Files 170-97-4, 170-97-5 and 170-97-6

1. The proposed resolutions submitted by the San Francisco International Airport request approval of:

- a fuel system lease and authorization to issue Airport lease revenue bonds in an amount not to exceed \$125,000,000 (File 170-97-4);
- authorization to issue up to \$400,000,000 (in principal amount outstanding at any one time) in subordinate commercial paper notes as a means of providing short term financing in advance of the issuance of Airport revenue bonds (File 170-97-5); and,
- the lease agreement between the Bay Area Rapid Transit District and the City and authorization to issue up to \$220,000,000 in revenue bonds for the purpose of financing capital improvements related to the BART to the Airport project.

2. Because of the timing of these proposed resolutions, coinciding with the Budget Analyst's detailed review of the Mayor's recommended 1997-98 budget, the Budget Analyst has not analyzed the proposed lease and the authorizations to issue Airport revenue and lease revenue bonds and commercial paper and has not prepared a detailed report on these items. The attached letter and explanation of each resolution was prepared by the staff of the Airport. The Budget Analyst provided the Airport with suggestions concerning the type of information which should be provided to the Finance Committee but has not made a detailed review of the Airport's supporting documentation.



**Airport  
Commission**

City and County  
of San Francisco

Willie L. Brown, Jr.  
Mayor

Henry E. Berman  
President

Roland A. Quan  
Vice President

Michael S. Strunsky

Larry Mazzola

Linda S. Crayton

JOHN L. MARTIN  
Airport Director



**San Francisco International Airport**

LETTERS TO THE COMMUNITY

June 12, 1997

Honorable Susan Leal, Chair  
Finance Committee  
Board of Supervisors  
City and County of San Francisco  
401 Van Ness Avenue, Room 320  
San Francisco, CA 94102

Dear Supervisor Leal:

Let me again express my appreciation for agreeing to hear these vital Airport resolutions during such a busy time for the Finance Committee. Enclosed, please find report analyses, prepared by Airport staff, of the resolutions you will be considering. I hope that these analyses adequately address the issues, but as always, I stand ready to answer any question you or your fellow members may have. Please note that I have attached to the BART/SFO Extension Project analysis a copy of the proposed revised resolution that I will ask the Committee to consider on June 17. The revised resolution only pertains to the Airport/BART Lease.

Thank you for your continued support of the Airport and the Master Plan.

Very truly yours,

John L. Martin  
Airport Director

Enclosures

- c: Hon. Barbara Kauffman, Member, Finance Committee  
Hon. Amos Brown, Member, Finance Committee  
Rosemary Little-Horanzky, Clerk of the Finance Committee  
Ken Bruce, Budget Analyst Office ✓

**San Francisco International Airport**  
**SFO Fuel System Report to the Board of Supervisors**  
**Finance Committee June 17, 1997**

Item 1 - File 170-97-004

**Department:** Airport

**Item:** Resolution approving:

- 1) a Fuel System Lease between SFO Fuel Company, LLC (a limited liability company comprised of airlines serving SFO) (SFO Fuel) and the City and County of San Francisco;
- 2) the early termination of Chevron U.S.A., Inc. (Chevron) lease at the Airport ;
- 3) a Trust Agreement authorizing issuance of up to \$125 million in special facility lease revenue bonds (Bonds) to finance improvements to the fuel system.

**Purpose:** To consolidate aircraft fueling operations to a single, cost effective system with enhanced and uniform construction, operating, safety and environmental standards and to finance improvements to the system through special facility lease revenue bonds which have no recourse to the Airport's revenue fund or the City's general fund.'

**Description:** The resolution approves arrangements whereby the Airport will acquire certain components of the existing aviation fuel distribution system, lease them to SFO Fuel and issue special facility lease revenue bonds to finance fuel system expansion projects as envisioned by the Master Plan as well as other improvements deemed necessary or appropriate. Each of the items requiring approval is more specifically described below.

**The Fuel System Lease**

**Property Leased:** Airport aviation fueling system, consisting of a 8.06-acre tank farm, a 0.18-acre satellite refueler loading rack and appurtenant pipeline rights of way.

**Lessor:** City and County of San Francisco

**Lessee:** SFO Fuel, a limited liability company, whose members are those airlines serving San Francisco International Airport that elect to become Contracting Airlines

**Annual Rental:** 1) Ground Rent of \$450,000, reappraised every five years, with interim annual CPI adjustments;

- 2) *Facilities Rent consisting of debt service on the Bonds;*
- 3) *Additional Rent covering all expenses of the Airport in connection with the Bonds, all amounts due to the Bond Trustee and all other sums due the City under the lease.*

**Term**

*Approximately 31 years, commencing on the Effective Date and continuing until June 1, 2028.*

**Effective Date:**

*When this lease and the Chevron lease termination agreement (see below) have been executed by the parties and the following conditions have been met:*

- 1) *an Interline Agreement, to which the City is not a party, that allocates rates and charges, operating costs and liabilities among Contracting Airlines (members of SFO Fuel) and binds them to operating rules has been executed by SFO Fuel and at least four Contracting Airlines, representing at least 51% of jet fuel delivered at the Airport;*
- 2) *a Fuel System Operating Agreement that provides for uniform maintenance, operation and management of the system has been executed by SFO Fuel and a Fuel System Operator engaged by SFO Fuel with the consent of the City;*
- 3) *a Tank Farm Agreement providing for continued operation of the tank farm by Chevron has been executed by SFO Fuel and Chevron.*

*The lease is scheduled to become effective July 1997.*

**Description:**

*The leased fuel system will be the sole and exclusive facility for receipt, storage and distribution of jet fuel at SFO. Any air carrier that has a right to operate at SFO will have access to the fuel system on an equal and non-discriminatory basis, either as a member of SFO Fuel, or as a non-contracting user. SFO Fuel will not engage in the sale of jet fuel distributed through its system. Airlines will continue to purchase jet fuel directly from fuel suppliers.*

*Certain existing hydrant systems (underground distribution networks that bring fuel under an apron to an aircraft parking position) are and will continue to be owned and operated by individual airlines and or fuel companies unless and until those owners voluntarily transfer their systems to the Airport to be incorporated under the Lease; however, all hydrant systems, whether individually owned or included under the lease, will be served by the distribution pipelines operated by SFO Fuel.*

Therefore, all persons taking delivery of jet fuel at SFO will be subject to the operating requirements and safety and environmental standards required of SFO Fuel.

All costs of the fuel system, including management, maintenance and operation, design and construction of fuel system expansion and improvement projects and financing of same will be borne by SFO Fuel. SFO Fuel will allocate such charges among its members, through fuel delivery rates, in accordance with formulas set out in the Interline Agreement. The Fuel System Operator will be responsible for all accounting, invoicing and collection of fees, payment of expenses, including rent and debt service, maintenance of insurance and other management duties.

### The Chevron Lease Termination

**Description:**

In 1976, the City and County of San Francisco entered into a lease agreement whereby Chevron leases Plots 24 and 25 and uses aviation fuel rights of way to operate a tank farm, refueler loading site and aviation fuel distribution system serving airlines operating throughout the Airport. The lease commenced July 1, 1976 for an initial term of 10 years with options to extend for two additional periods of ten and five years, respectively. The final five-year option period is due to expire on June 30, 2001 unless sooner terminated.

The proposed resolution would approve the early termination of the Chevron lease in order that the Chevron premises and rights of way may be incorporated in the Fuel System Lease. Chevron will retain its personal property (including the above-ground fuel tanks) and remain as operator of the tank farm as a subtenant of SFO Fuel, under the Tank Farm Agreement.

As consideration for early termination of the lease, Chevron will be reimbursed in the amount of \$1,138,204.54 for design and construction, on behalf of the Airport, of a pipeline link that was required in order to continue service to the Boarding Areas A and C hydrant systems when certain pipelines were capped and removed pursuant to Master Plan construction. The reimbursement will be paid from the proceeds of the Bonds issued pursuant to this item.

### The Special Facility Lease Revenue Bonds

**Amount:**

Up to \$125,000,000

**Source of Funds:**

**Airport Fuel System Facilities Rent**

**Description:**

*The Bonds will be used to construct new fuel facilities required for the Master Plan, improve and expand existing facilities, reimburse Chevron, and related costs. The Airport originally intended to finance fuel system improvements, including the construction of fuel hydrant systems for the new Boarding Areas A and G, and the North Cargo Facility, through the issuance of general airport revenue bonds, but the special facility financing was subsequently chosen to facilitate consolidation of ownership of various fuel system facilities.*

*No Airport or City general revenues will be pledged to repay these bonds. The fuel system bonds are not a component of the Airport's Master Plan bond authorization.*

*The financing will be undertaken pursuant to Chapter 48 of the City's Administrative Code, and the special facility provision of the Airport Commission's 1991 master bond resolution. The additions and improvements to the fuel system will be designed and constructed by SFO Fuel in accordance with Chapter 48 and other applicable provisions of the City's Administrative Code.*

**Comments:**

- 1) The fuel system arrangements contemplated by the proposed resolution place all responsibility for operation and management of the fuel system on the users of the jet fuel, and removes the Airport from the relationships between the airlines and their fuel suppliers. The airlines and the fuel suppliers will bear all environmental responsibility arising out of the use of the fuel system.*
- 2) The Airport will suffer no loss of rent from termination of the Chevron lease. The ground rent to be paid by SFO Fuel is approximately 4.2% higher than Chevron's current rent of \$431,748. SFO Fuel's rent was derived from applying a CPI adjustment to the Chevron rent, which was based on a fair market value appraisal of the property done approximately one year ago by the City's Department of Real Estate.*
- 3) The total construction budget for the fuel system projects, including construction cost, environmental costs and first year operating costs is \$70.3 million. The estimated bond size, including issuance costs, reserve funds and capitalized*



interest is currently estimated at \$92.7 million. The remainder of the bond authorization is to allow the sale of additional bonds in the event more money is required to complete the project due to currently unforeseen conditions which might arise during construction.

- 4) The allocation of the annual costs will result in an average surcharge of \$0.0076 per gallon to Contracting Airlines
- 5) Special facility lease revenue bonds are secured solely from the lease revenues of the fuel system. No Airport or City money will be used to repay these bonds.

**Recommendation:**

The Airport Commission recommends approval of the proposed resolution.

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**San Francisco International Airport  
SFO Fuel System Financing  
Utilization of Bond Proceeds**

**Sources**

Fuel System Expansion Bonds	\$92,677,400
Bond Fund Interest Earnings	\$5,653,000
<b>Total Sources</b>	<b>\$98,330,400</b>

**Uses**

Deposit to Construction Fund	\$70,235,700
Reserve Account	\$7,227,700
Capitalized Interest	\$18,418,900
Cost of Issuance	<u>\$2,448,100</u>
<b>Total Uses</b>	<b>\$98,330,400</b>

Bond Authorization Remaining for Unforeseen Conditions	\$26,669,600
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<b>TOTAL BOND AUTHORIZATION REQUESTED</b>	<b>\$125,000,000</b>
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Source: Peck/Jones May 1997 Engineer's Report on Fuel System Expansion

Item 2 - File 170-97-005

*Department:*                      *Airport*

*Item:*                                *Resolution approving the issuance of up to \$400,000,000 aggregate principal amount outstanding at any one time of San Francisco International Airport Subordinate Commercial Paper Notes in one or more series for the purpose of financing and refinancing certain capital improvements at San Francisco International Airport.*

*Amount:*                         *\$400,000,000 maximum in Commercial Paper principal.*

*Source of Funds:*             *Airport revenues*

*Description:*                 *Objective of Proposal:*

*The Airport is seeking authorization to implement a short-term financing tool known as "commercial paper" in order to:*

- Reduce debt service costs associated with financing the construction of the Airport Near-Term Master Plan and other infrastructure improvements by:*
  - a.    more closely timing borrowing of funds to requirement for funds;*
  - b.    reducing the requirement to capitalize interest costs during construction; and*
  - c.    securing funds at lower interest rates;*
- Provide greater flexibility to issue long-term bonds when market conditions are favorable; and*
- Complement the Airport's current long-term bond program.*

*What is Commercial Paper?*

*Commercial paper is a short-term financing instrument that is used by both corporations and municipal issuers. From the City's perspective, commercial paper will provide a low cost source of construction financing, which would be of particular value during the construction of the Near-Term Master Plan.*

*Commercial paper is issued on an as-needed basis to meet short-term cash demands in relatively small amounts when compared to typical Airport borrowings. Cash is provided within prearranged limits on the same day as an order is placed.*

*In contrast to the 30-year bonds that the Airport generally issues to finance its capital costs, commercial paper maturities range from 1 to 270 days. Over the past 10 years, commercial paper interest rates in California have averaged over two and one-half percent less than long-term bond rates.*

#### *How is Commercial Paper Repaid?*

*Commercial paper issued by the Airport will be repaid either with long-term bond proceeds or other available Airport funds. Commercial paper may be periodically "rolled over" until the outstanding balance is repaid.*

*The debt service on the Airport's long-term bonds is paid from "senior lien" net revenues, which is defined as net revenues after payment of the Airport's Operations and Maintenance costs (O&M). In the case of commercial paper, however, it is advantageous for the City to pledge the Airport's "subordinate lien" net revenues, which is defined as net revenues after payment of O&M and senior lien debt service costs, to the repayment of commercial paper interest and principal, because there is only a minimal increase in interest rates associated with a subordinate lien pledge and the subordinate lien does not impair the Airport's long-term senior lien bonding capacity or credit rating.*

#### *What is a "Bank Note" and why is a \$435.5 Million Authorization Required?*

*A letter of credit from two major banks will provide credit support for the commercial paper program, a common practice among municipal issuers. Under the Airport's letter of credit, the banks will make principal and interest payments when they come due to note holders, and the Airport then will reimburse the banks. This arrangement provides greater assurance of repayment to note holders, which lowers the interest rates paid by the Airport. As a result, the credit rating for the Airport's commercial paper program will be based on the short-term credit rating of the banks issuing the letter of credit, rather than on the Airport's credit rating.*

*The authorized bank notes serve as a means of evidencing the Airport's obligation to repay the banks, and to pre-establish a mechanism to address the highly unlikely event that the Airport does not reimburse the banks when required. The maximum authorization level of \$435,506,850 for bank notes is calculated by adding the maximum principal amount of commercial paper (\$400 million) to the maximum amount of commercial paper interest that may be outstanding at one time (the principal amount times the 12 percent maximum annual interest rate for 270 days, or \$35,506,850).*

*What is the Maximum Interest Rate?*

*The resolution establishes a maximum interest rate of 12 percent for the commercial paper notes and Bank Notes, consistent with the limitations under the City Charter and State law. In comparison, current commercial paper interest rates are approximately 3.5 percent.*

**Budget:**

*Commercial paper proceeds will be utilized to finance construction of the Airport's Near-Term Master Plan projects, as well as infrastructure improvements. The Board has previously approved issuance of long-term bonds for these projects, and will be asked in the future to approve issuance of long-term bonds for other projects. For instance, commercial paper may be utilized to finance a portion of the Airport's contribution to the BART extension to the Airport, which the Board is being asked to consider at the same meeting as this item.*

**Comments:**

- 1. The Airport's commercial paper program will not be backed by General Fund revenues, and will not create any exposure to the General Fund.*
- 2. Standard & Poor's (S&P), one of the major bond rating agencies, has stated that bond issuers can realize substantial interest rate savings by utilizing short-term debt instruments such as commercial paper. S&P has concluded that issuers can prudently maintain 15 to 20 percent of their debt portfolios in short-term instruments, and in some cases, an even higher proportion. The Airport's program will not exceed these guidelines.*
- 3. Because the Airport will issue commercial paper for capital projects that already have been or will be authorized by the*



*Board, a supplemental appropriation will not be required for the use of these funds*

***Recommendations:*** *The Airport Commission recommends approval of the proposed resolution.*

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**San Francisco International Airport**  
**BART/SFO Extension Project Report to the Board of Supervisors**  
**Finance Committee                      June 17, 1997**

Item 3 - File 170-97-006

**Department:**                      Airport

**Item:**                                      Resolution approving a Lease, Use and Operating Agreement and Grant of Easement for the Bay Area Rapid Transit (BART) Station and Related Facilities at San Francisco International Airport (the Lease) and authorizing issuance by the Airport Commission of up to \$220 million in BART/Infrastructure Bonds (the Bonds).

**Purpose:**                                      To implement the extension of BART service to the Airport, as mandated by Proposition 1, adopted by San Francisco voters June 7, 1994.

**Description:**                                      The proposed resolution approves the Lease which will govern BART's occupancy and use of Airport property pursuant to the terms of two agreements mentioned below and authorizes the issuance of the Bonds for the purpose of financing the construction, acquisition, equipping and development of Airport infrastructure projects, including but not limited to the Airport's BART station at the Airport. In the first agreement, dated October 30, 1996, BART and the Airport agreed to enter into the necessary agreements for the construction and use of the on-Airport portion of the BART-SFO Extension Project. The October 30 agreement provided for the Airport to expend up to \$200 million on the project, \$113 million for the Airport's BART fixed facilities and \$87 million for the Airport's BART operating systems, all of which were deemed eligible by the Federal Aviation Administration (FAA). The second agreement, dated March 3, 1997, between the City, BART, the Airport, the Air Transport Association and United Airlines, provided additional guidance.

**The Lease**

**Property Leased:**

The leased premises include the BART station to be located adjacent to the new International Terminal and at the same level as the departure level as the departure lobby. The easement covers the guideway for the east of Bayshore portion of the east-west aerial stub that connects the new station to the BART mainline.

**Lessor:**

City and County of San Francisco

**Lessee:**

Bay Area Rapid Transit District

**Annual Rental:**

\$2.5 million

**Term:**

50 Years.

**Rent Commencement Date:**

The date on which the Airport debt service for the project commences, or July 1, 2001, whichever is later.

**Repair and Maintenance:**

The Airport will perform maintenance and repair of the public portion of the BART facilities and those areas used in common by BART and the Airport. BART will pay its allocated share of the maintenance and repair expenses throughout the lease term. At BART's request and at BART's sole expense, the Airport may provide other maintenance and repair services.

**Description:**

If BART is permanently unable to operate at the Airport as a result of BART's default and the Lease is terminated, then BART may elect to either continue to pay the annual rent until the Airport has received \$2.5 million for fifty years, or pay the Airport an amount adequate to retire all outstanding financings issued by the Airport in connection with the construction, procurement and installation of the Airport's BART facilities. The Lease provides that if during the lease term, as a direct result of the City's act or omission, BART is permanently prevented from operating at the Airport, BART shall have the right to terminate the Lease and the rent obligation shall cease.

The Lease provides that the Airport BART station will not operate unless and until BART has constructed and opens the Millbrae BART station as the southern terminus of the BART/SFO extension project. If the Millbrae station is not open and operating by January 1, 2008, the Airport will have the right to terminate the Lease.

*The Lease provides that the Airport's financial contribution to the BART-SFO Extension Project shall be limited to \$200 million and shall only include costs related to BART project elements eligible for Airport revenue funding under federal law. The Airport may perform services for BART typically considered tenant responsibilities to the extent BART pays all direct costs and reasonable overhead expenses incurred by the Airport for such work.*

*BART is obligated to provide passes with a 25% discount, to airline employees, and is authorized to charge premium, market based fares at the Airport Station.*

*The Lease further provides that the Airport is authorized to deduct from the Annual Service Payment to the City an amount equal to any amounts past due payable by BART to the Airport; however, BART consents in the Lease to the City withholding any payments due to BART from the City in amounts equal to the Airport's deduction from the Annual Service Payment. The Board previously enacted Resolution No. 316-97 in support of these provisions.*

**The Bonds**

**Amount:** Up to \$220,000,000

**Source of Funds:** Airport Revenues

**Description:** The Airport intends to utilize the bond proceeds for the following components of the project, as well as related projects:

- 1) \$113 million for construction of Fixed Facilities, including:
  - a. The overcrossing of Highway 101;
  - b. The shared BART/Airport Rail Transit (the people-mover, also known as "ART") guideway;
  - c. The shared BART/ART station located adjacent to the new International Terminal;
  - d. The "Link Building" connecting the BART station to the International Terminal; and
  - e. Enhancements to the International Terminal required as a result of the BART extension.
- 2) \$87 million for the Federal Project Scope portion of the project for BART project for BART Operating Systems, including:

- a. track work and appurtenances;
- b. traction power systems;
- c. communications and train control systems;
- d. systems integration;
- e. structures and appurtenances;
- f. utilities and materials handling;
- g. security and specialty systems; and
- h. preliminary engineering and administration.

*The remaining \$20 million in bond proceeds will fund the debt service reserve fund and issuance costs.*

*The Bonds are authorized under the Sixth Supplemental Resolution of the Airport's Master Bond Resolution, adopted April 15, 1997.*

*The Sixth Supplemental Resolution establishes the maximum interest rate on the tax-exempt Bonds at 12% per annum. A maximum rate of 15% has been established for the taxable Bonds, if unexpected circumstances require issuance of taxable Bonds.*

**Comments:**

- 1) *The Board of Supervisors previously approved legislation in November, 1996 (Files 27-96-13 and 27-96-13.1) approving the BART/SFO Extension Project, providing for a contribution of Airport revenue of up to \$200 million for the project, and adopting findings pursuant to the California Environmental Quality Act (CEQA) related to the development of the project.*
- 2) *In April 1997 the Board of Supervisors approved legislation (File No. 27-97-4) authorizing the Airport to deduct from its Annual Service Payment (ASP) to the City any past due amounts payable by BART to the Airport. The Lease provides BART's release for the City to offset any amounts deducted from the ASP from other sums due to BART by the City.*
- 3) *The lease incorporates the relevant terms of the agreements previously approved by the aforesaid board actions.*
- 4) *Although the resolution authorizes issuance of up to \$220 million in bonds, the Lease and other agreement limit the Airport's contribution to the BART facilities to \$200 million. The remaining \$20 million will cover reserve and issuance costs.*



- 5) *The proposed resolution provides that annual interest rate shall not exceed 12% for tax-exempt bonds. However, if the bonds were sold today, the interest rate would be expected to be in the range of 6 to 7%.*
- 6) *The Board will be asked at a later date to approve a Development Agreement governing construction of the BART on-Airport project, a West of Bayshore easement, and a supplemental appropriation for the Bond proceeds.*

***Recommendation:***

*The Airport Commission recommends approval of the proposed resolution.*

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Item 4 - File 106-97-1

**Department:** Trial Courts

**Item:** Ordinance setting schedules of compensation and other economic benefits for FY 1997-98 for certain classifications of persons employed by the Trial Courts.

**Description:** The proposed ordinance would establish economic conditions of employment and the methods of employee compensation for 52 unrepresented classifications. These classifications cover the 131.75 positions included in the 1997-98 Trial Courts budget. The 52 classifications are similar to City classifications for whom collective bargaining agreements have been reached. The proposed ordinance would be adopted pursuant to California Government Code Sections 69900 and 74504.5.

The classifications and positions are from the following divisions of the Trial Courts:

<u>Division</u>	<u>No. of Classifications</u>	<u>No. of Positions</u>
Municipal Court	20	34.5
Superior Court	28	92.25
Trial Court District Attorney		
Child Support Services	2	3
Trial Court Services	<u>2</u>	<u>2</u>
TOTAL	52	131.75

The proposed ordinance would replace three existing ordinances which set the salaries and benefits for unrepresented Court classifications for FY 1996-97. The provisions of the proposed ordinance have been modeled after the City's Memoranda of Understanding (MOU) with comparable labor groups.

The **Municipal Court** division employees covered by the proposed ordinance are as follows:

<u>Classification</u>	<u>Current No. of Positions</u>
210 Clerk-Administrator	1
220 Chief Deputy	2
221 Executive Assistant	1
222 Court Training Coordinator	1
225 Criminal Courts Calendar Coordinator	1
230 Division Chief	3
240 Court Program Analyst Manager	1
242 Court Computer System Director	1
243 Traffic System Programmer	2
244 Court Traffic Sr. Application Programmer	1
246 Court Traffic Application Programmer	1
248 Court Systems Technical Programmer	2
260 Small Claims Legal Adviser	2
270 Assistant Division Chief Clerk	6
273 Assistant Court System Coordinator	1
275 Assistant Fiscal Officer	1
278 Assistant Court System Manager	0.5
360 Deputy Clerk	3
215 Bail Commissioner	1
255 Court Commissioner	<u>3</u>
Subtotal	34.5

The **Superior Court** division employees covered by the proposed ordinance are as follows:

<u>Classification</u>	<u>Current No. of Positions</u>
174 Attorney, Civil & Criminal	5
175 Senior Criminal Research Attorney	1
583 Assistant County Clerk	1
584 Assistant Executive Officer	1
585 Assistant Executive Officer	1
588 Court Coordinator	18
590 Court Assistant Senior	3
592 Payroll/Personnel Director	1
595 Fiscal Systems & Services Coordinator	1
620 Court Commissioner	10
622 Deputy Jury Commissioner	1
634 Manager of Court Operations	3
636 Division Chief	4
640 Director, Family Court Services	1
646 Assistant Director of Probate	1

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<u>Classification</u>	<u>Current No. of Positions</u>
647 Director of Probate	1
648 Court Investigator	5
649 Probate Examiner	3
650 Traffic Hearing Officer	1
655 Counselor, Family Court Services	6.75
657 Mental Health Coordinator	1
676 Research Assistant	10.75
677 Judicial Secretary Coordinator	1
678 Executive Secretary	2
811 MIS Specialist I	1
818 MIS Specialist II	1
819 MIS Specialist III	5.75
821 Superior Court Computer Coordinator	<u>1</u>
Subtotal	92.25

The **Trial Courts District Attorney/Child Support Services** division employees covered by the proposed ordinance are as follows:

<u>Classification</u>	<u>Current No. of Positions</u>
175 Senior Criminal Research Attorney	1
588 Court Coordinator	1
620 Court Commissioner	<u>1</u>
Subtotal	3

The **Trial Court Services** division employees covered by the proposed ordinance are as follows:

<u>Classification</u>	<u>Current No. of Positions</u>
555 Chief Executive Officer	1
636 Division Chief	<u>1</u>
Subtotal	2
GRAND TOTAL	131.75

The provisions of the ordinance including wages, flexible benefits, and others are presented below for four employee groups: 1) Attorneys; 2) Management Information Systems Specialists; 3) Court Investigators, Reporters and Probate Examiners; and 4) Management. The following provisions apply to all groups.

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### **Provisions of the Ordinance that Apply to All Employees**

#### **Supervisory Differential Adjustment**

Consistent with the MOU with comparable labor groups employees in all classifications, except the two Bail Commissioner and Court Commissioner classes in the Municipal Court and the two Court Commissioner and Deputy Jury Commissioner classes in the Superior Court, would be eligible to request a "supervisory differential adjustment" if (1) they regularly supervise the technical content of the work of one or more subordinates, and (2) their salary range is less than five percent over that of the employee supervised. Application of the supervisory differential adjustment would be made at the discretion of the Clerk-Administrator of the Municipal Court. The amount of such adjustment could not exceed five percent over the compensation exclusive of extra pay of the highest paid employee supervised, and could not exceed ten percent of the supervisor's current basic compensation.

#### **Health and Dental Care Benefits**

The level of the City's contribution to health benefits will be set annually in accordance with the requirements of Appendix A 8.423 and A 8.428 of the Charter. The City shall continue to provide the level of dental coverage for each member and family dependents provided in FY 1996-97.

#### **Fingerprinting**

The City would continue to pay the full cost of fingerprinting employees.

#### **Overtime and Holiday Pay**

All holiday and overtime paychecks should be distributed as part of their regular pay warrants for the period in which the overtime and holiday pay was earned.

#### **Floating Holidays**

In addition to those days designated as Court holidays, all covered employees shall continue to receive the number of additional holidays provided to them in FY 1996-97, to be taken on days selected by the employee subject to the approval and sole discretion of the Court. Floating holidays may only be taken in eight hour increments and employees must complete six months of continuous service before receiving the additional days.

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State Disability Insurance

If a majority of a covered classification wish to be enrolled in the State Disability Insurance Program, the cost of SDI will be paid by the employee through payroll deductions.

Following are provisions of the proposed ordinance according to type of employee.

Provisions of the Ordinance that Apply to Attorneys

The positions covered by the provisions related to this group of classifications are:

<u>Classification</u>	<u>Current No. of Positions</u>
174 Attorney, Civil & Criminal	5
175 Senior Criminal Research Attorney	2
260 Legal Advisor	2
360 Legal Research Attorney	3
676 Research Assistant	<u>10.75</u>
Total	22.75

The proposed ordinance includes the following provisions for the above-noted positions:

Wage Increases

Wages of attorneys would be increased by 2.0 percent effective July 1, 1997 and an additional 1.0 percent on December 27, 1997.

Administrative Leave

Each full-time employee in the above-noted classifications would continue to receive five days of administrative leave per year in addition to vacation time. The employees would not be eligible to receive compensatory time off.

Bar Dues

Each full-time Attorney, who has worked for the Courts for more than one year as of January 15, 1998, would be reimbursed for the full amount of the annual California State Bar dues. This is a continuation of an existing benefit for Superior Court attorneys and a new benefit for Municipal Court Attorneys.

Tuition and Educational Fund

The City will provide an Educational Fund of \$4,500 for FY 1997-98. Employees in the above-noted classifications would

be reimbursed up to \$500 each, subject to availability of funds, for professional training and education.

Flexible Benefit Package

Effective July 1, 1997, the City would, at the employee's option, either contribute \$225 per month to each covered employee participating in the City's 125 Cafeteria plan or pay \$210 per month to each covered employee who elects to receive a direct payment for individual benefit options. The \$225 represents an increase of \$75 from the \$150 amount provided in FY 1996-97 and the \$210 represents an increase of \$70 from the \$140 amount provided in FY 1996-97.

Life Insurance

The City would continue to provide life insurance in the amount of \$125,000 to each covered employee or shall make purchase of such life insurance available to each covered employee through the City's 125 Cafeteria Plan.

Retirement Pickup

For the period July 1, 1997 through June 30, 1998, the City would contribute 7.5 to 8.0 percent (depending on individual employee's retirement account) of the employee's share of retirement costs. The City currently picks up the same amount.

Management Information Systems (MIS) Specialists

The positions covered by the provisions related to this group of classifications are:

<u>Classification</u>	<u>Current No. of Positions</u>
811 MIS Specialist I	1
818 MIS Specialist II	1
819 MIS Specialist III	5.75
243 Court Traffic System Programmer	2
244 Court Traffic Senior Programmer	1
246 Court Application Programmer	1
248 Technical Writer	2
273 Assistant System Coordinator	1
278 Court Assistant System Manager	0.5
595 Fiscal Systems and Services Coordinator	<u>1</u>
Total	16.25

The proposed ordinance includes the following provisions for the above-noted positions:

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**

Wage Increases

Wages of the employee classifications listed above would be increased by 2.0 percent effective July 1, 1997 and an additional 1.25 percent on December 27, 1997.

Compensatory Time Off

Employees in the above-noted classifications would continue to receive compensatory time off for hours worked in excess of 40 hours per week. Compensatory time off would be earned at a rate of time and one-half.

Dependent Health Care Pick-up

The City would pick-up \$225 of the employees' monthly payments for health care insurance coverage for their dependents. Currently, the City picks up the same amount.

Retirement Pick-up

For the period July 1, 1997 through June 30, 1998, the City would contribute 7.5 to 8.0 percent (depending on individual employee's retirement account) of the employee's share of retirement costs. The City currently picks up the same amount.

**Court Investigators, Reporters and Probate Examiners**

The positions covered by the provisions related to this group of classifications are:

<u>Classification</u>	<u>Current No. of Positions</u>
648 Court Investigator	5
649 Probate Examiner	3
655 Family Court Services Counselor	6.75
678 Executive Secretary	<u>2</u>
Total	16.75

The proposed ordinance includes the following provisions for the above-noted positions:

Wage Increases

Wages of the employee classifications listed above would be increased by 1.75 percent effective July 1, 1997 and an additional 1.5 percent on December 27, 1997.

Compensatory Time Off

Employees in the above-noted classifications would continue to receive compensatory time off for hours worked in excess of

40 hours per week. Compensatory time off would be earned at a rate of time and one-half.

Dependent Health Care Pick-up

The City would continue to pick-up \$225 of the employees' monthly payments for health care insurance coverage for their dependents.

Retirement Pick-up

For the period July 1, 1997 through June 30, 1998, the City would contribute 7.5 to 8.0 percent (depending on the individual employee's retirement account) of the employee's share of retirement costs. The City currently picks up the same amount.

Long Term Disability

The City would provide employees having six months of continuous service with a Long Term Disability (LTD) plan. Employees who receive payments under the LTD plan shall not be eligible to continue receiving payments under the City's Catastrophic Illness Program.

Management

The positions covered by the provisions related to this group of classifications are as follows:

<u>Classifications</u>	<u>Current No. of Positions</u>
210 Clerk - Administrator	1
215 Bail Commissioner	1
220 Chief Deputy	2
221 Executive Assistant	1
222 Training Officer	1
225 Calendar Coordinator	1
230 Division Chief	3
240 Court Program Analyst Manager	1
242 Court Computer System Director	1
255 Court Commissioner	3
270 Assistant Division Chief	6
275 Assistant Fiscal Officer	1
555 Chief Executive Officer	1
583 Assistant Clerk of the Court	1
584 Assistant Executive Officer	1
585 Assistant Executive Officer	1
588 Court Coordinator	19
590 Court Assistant Senior	3
592 Payroll/Personnel Director	1
620 Court Commissioner	11

**BOARD OF SUPERVISORS**  
**BUDGET ANALYST**



<u>Classifications</u>	<u>Current No. of Positions</u>
622 Deputy Jury Commissioner	1
634 Manager of Court Operations	3
636 Division Chief	5
640 Director of Family Court Services	1
646 Assistant Director of Probate	1
647 Director of Probate	1
650 Traffic Hearing Officer	1
657 Mental Health Coordinator	1
677 Judicial Secretary Coordinator	1
821 Computer Coordinator	<u>1</u>
Total	76

The proposed ordinance includes the following provisions for the above-noted positions:

Wage Increase

Effective July 1, 1997 these employees shall receive: (1) a 2 percent retroactive wage increase for Fiscal Year 1996-97; (2) a lump sum equity adjustment equal to 2 percent of the gross wages earned in FY 1996-97; and (3) a 2 percent wage increase for Fiscal Year 1997-98. Excluded from these provisions are the 215 Bail Commissioner, 255 Court Commissioner, 270 Assistant Division Chief, 275 Assistant Fiscal Officer, 620 Court Commissioner, and 650 Traffic Hearing Officer.

Administrative Leave

Employees in the positions of 210 Clerk - Administrator, 220 Chief Deputy, 221 Executive Assistant, 222 Training Officer, 225 Calendar Coordinator, 230 Division Chief, 242 Court Computer System Director, 555 Chief Executive Officer, 583 Assistant Clerk of the Court, 584 Assistant Executive Officer, and 585 Assistant Executive Officer classifications would continue to receive five days of administrative leave per year. Administrative leave for these employees may not be carried forward to subsequent years and cannot be cashed out. The remaining above-noted employees would continue to receive administrative leave earned on a straight time basis for hours worked in excess of 40 hours per week. In no case would these employees be allowed to accrue more than 80 hours of administrative leave.

Flexible Benefit Package

Effective July 1, 1997, the City will contribute \$225 per month toward a flexible benefit package for employees in this

section. Effective October 1, 1996, the City contributed \$150 per month for covered employees.

Retirement Pick-up

Effective July 1, 1996 the City would pick-up 7.5 to 8.0 percent (depending on the individual employee's retirement account) of the employee's share of retirement costs. The City currently picks up 5 percent.

**Estimated Cost of Benefit Increases**

The additional annual costs to the City for the provisions listed above, as estimated by the Trial Courts, are as follows:

<u>Provision</u>	<u>FY 1997-98 Cost</u>
Wages	\$164,341
Flexible Benefit Package	80,100
Merit Pay	5,387
Dependent Health Care	7,425
Retirement Pickup	167,502
Lump Sum	73,794
Performance Pay	83,934
Management Training	<u>9,300</u>
<b>TOTAL ESTIMATED COSTS</b>	<b><u>\$591,783</u></b>

**Comments:**

1. Voter approval of Proposition F in November of 1994 resulted in collective bargaining agreements covering most employees. The Board of Supervisors subsequently approved various ordinances which established schedules of compensation and other economic benefits for certain unrepresented classifications in the Trial Courts for FY 1995-96 and FY 1996-97.
2. The proposed ordinance has been approved by a majority of the Judges of the Superior and Municipal Court. California Government Code Section 69900 and California Government Code Section 74504.5 state that "Rates of compensation of all officers and assistants and other employees may be altered by joint action and approval of the Board of Supervisors and a majority of the judges of the court."
3. The Budget Analyst has reviewed and concurs with the cost estimates prepared by the Trial Courts. The fiscal impact estimate includes the positions requested by the Courts in its proposed Fiscal Year 1997-98 budget which has not yet been approved by the Board of Supervisors. To the

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extent that any of these requested positions are not approved by the Board of Supervisors, the cost increase estimated by the Court would be reduced.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.



Item 5 - File 93-97-41

**Note:** This item was amended and continued by the Finance Committee at its meeting of June 11, 1997.

**Department:** Human Resources Department (HRD)  
Employee Relations Division (ERD)

**Items:** Ordinance implementing the provisions of an amendment to the MOU between the Transport Workers Union, Local 200 (SEAM), and the City and County of San Francisco regarding wages, to be effective for the one-year period from July 1, 1997 through June 30, 1998.

**Description:** TWU, Local 200 (Supervisory Employees Association MUNI or SEAM) represents approximately 245 employees City employees in the following classifications:

<u>Class</u>	<u>Position Title</u>	<u>No. of Positions</u>	<u>Maximum Annual Salary</u>
1773	Media Training Specialist	2	\$55,985
7412	Automotive Service Worker Supervisor	5	39,307
9139	Transit Supervisor I	177	55,985
9140	Transit Manager I	25	64,806
9141	Transit Manager II	16	71,436
9173	Systems Safety Inspector	1	65,798
9155	Claims Investigator	10	62,953
9156	Senior Claims Investigator	1	69,426
9157	Claims Adjuster	6	69,426
9158	Assistant Claims Agent	0	77,256
8126	Senior Investigator, Office of Citizen Complaints	2	59,691
	TOTAL	245	

In June of 1995, the Board of Supervisors approved a Memorandum of Understanding (MOU) between the City and TWU, Local 200 (SEAM) (File 93-95-37) for the three-year period from July 1, 1995 through June 30, 1998. This MOU provided for wage increases for covered employees to take effect on June 30, 1995 and June 30, 1996. In addition, this MOU included a provision stating that the City and the TWU would meet commencing January 1, 1997, in order to negotiate and reach agreement on wages for covered employees for the period from July 1, 1997 through June 30, 1998.



The Employee Relations Division (ERD) of the Human Resources Department (HRD) has reached agreement with TWU on proposed wage increases for all covered employees for FY 1997-98.

The proposed ordinance would approve an amendment to the existing MOU between TWU, Local 200 (SEAM) and the City, in order to provide a wage increase of 8.25 percent, effective July 1, 1997, and a wage increase of 1.5 percent, effective December 27, 1997, or a total of 9.75 percent for members of the 7412 Automotive Service Worker Supervisor class. In addition, all other covered employees noted above would receive a wage increase of 3.0 percent, effective July 1, 1997.

**Comments:**

1. According to Mr. Rothman of the ERD, employees in the 7412 Automotive Service Worker Supervisor class would receive wage increases of 8.25 percent on July 1, 1997 and an additional 1.5 percent on December 27, 1997, or a total of 9.75 percent versus the 3.0 percent wage increase provided to other covered employees for FY 1997-98, in order to correct historical wage inequities between the 7412 Automotive Service Worker Supervisor classification and other employees with comparable duties and responsibilities.

2. The Controller's Office estimates that the cost of wage increases included in the proposed amendment to the existing MOU would be \$504,864 in FY 1997-98, as shown on the attachment to this report.

**Recommendation:** Approval of the proposed ordinance is a policy matter for the Board of Supervisors.

Edward Harrington  
ControllerJohn W. Madden  
Chief Assistant Controller

June 12, 1997

Mr. John L. Taylor, Clerk of the Board  
Board of Supervisors  
401 Van Ness Avenue  
San Francisco, CA 94102

RE: Amendment to MOU (wage re-opener only) for Transit Workers Union, Local 200 S.E.A.M.  
(Revised 6/12/97)

Dear Mr. Taylor:

In accordance with Ordinance 92-94, I am submitting a cost analysis of the Memoranda of Understanding between the City and County of San Francisco and the Transit Workers Union, Local 200 S.E.A.M. This agreement covers the period from July 1, 1997 through June 30, 1998, and affects approximately 245 employees with a salary base of approximately \$14.2 million.

Based on our analysis, this agreement will result in incremental costs of approximately \$505,000 in FY 1997-98. This represents a cost increase of approximately 3.6% over the current contract. Please see Attachment A for cost details.

If you have any additional questions or concerns please contact John Madden at 554-7500.

Sincerely,

  
Edward M. Harrington  
Controller

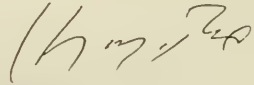
cc: Vicki Rambo, ERD  
Harvey Rose, Budget Analyst

Attachment A  
Transit Worker's Union Local 200 SEAM  
Estimated Costs 1997-98  
Controller's Office (Revised 6/12/97)

<u>Annual Incremental Costs/(Savings)</u>	<u>FY 1997-98</u>
Wage Increases	
3% on 7/1/97	\$420,106
Class 7412 8.25% on 7/1/97 and 1.5% on 12/27/97	17,688
Wage-Related Fringe Increases	<u>67,070</u>
Total Estimated Incremental Costs	<u><u>504,864</u></u>
Annual Amount Above 1996-97 Level	\$504,864
Incremental Cost % of Salary Base	3.56%

Item 6 - File 170-97-7.1

The proposed resolution pertains to 1992 Earthquake Safety Loan Bonds. Because of the Budget Analyst's workload on the review of the Mayor's recommended 1997-98 budget, the Budget Analyst has not analyzed this proposed resolution.



Harvey M. Rose

cc: Supervisor Leal  
President Kaufman  
Supervisor Brown  
Supervisor Ammiano  
Supervisor Bierman  
Supervisor Katz  
Supervisor Medina  
Supervisor Newsom  
Supervisor Teng  
Supervisor Yaki  
Supervisor Yee  
Clerk of the Board  
Controller  
Steve Agostini  
Stephen Kawa  
Ted Lakey





90.2  
/24/97  
/25/97  
6/26/97

# CALENDAR

BUDGET REVIEW HEARINGS

DOCUMENTS DEPT.

## Finance Committee Board of Supervisors City and County of San Francisco

JUN 30 1997  
SAN FRANCISCO  
PUBLIC LIBRARY

TUESDAY, JUNE 24, 1997, 1:00 P.M.  
WEDNESDAY, JUNE 25, 1997, 12:00 P.M.  
THURSDAY, JUNE 26, 1997, 1:00 P.M.

401 VAN NESS AVE, ROOM 410  
VETERANS BUILDING

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanz



### Disability Access



Both the Committee Room (Room 410) and the Chamber (Room 404) are wheelchair accessible. The closest accessible BART Station is Civic Center, four blocks from the Veterans Building. Accessible MUNI lines serving this location are: #42 Downtown Loop and the #71 Haight/Noriega and the F line to Market and Van Ness and the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.



There is accessible parking in the vicinity of the Veterans Building adjacent to Davies Hall and the War Memorial Complex.



Assistive listening devices are available for use in the Meeting Room and the Board Chamber. A device can be borrowed prior to or during a meeting. Borrower identification is required and must be held by Room 308 staff.

The following services are available on request 48 hours prior to the meeting or hearing:

- ❖ For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
- ❖ For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. The Sunshine Ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance (Chapter 67 of the San Francisco Administrative Code) or to report a violation of the ordinance, contact the Sunshine Ordinance Task Force at 554-4851.

## CALENDAR

DEPARTMENTAL BUDGET REVIEW  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

TUESDAY, JUNE 24, 1997, 1:00 P.M.

ROOM 410, VETERANS BLDG.  
401 VAN NESS AVENUE

1. File 100-97-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1997-98. (Mayor)

### GENERAL ADMINISTRATION & FINANCE

ADM Administrative Services  
CFM Convention Facilities Management  
PUR Purchaser  
REG Elections  
RES Real Estate  
MYR Mayor  
CHF Children, Youth & Families  
ECN Business & Economic Development  
ENV Environment  
BOS Board of Supervisors  
ETH Ethics Commission  
CAT City Attorney  
TTX Treasurer/Tax Collector  
CON Controller  
ASR Assessor  
RCD Recorder/County Clerk  
CPC City Planning  
PAB Permit Appeals  
RNT Rent Arbitration Board  
CSC Civil Service Commission  
HRD Human Resources  
RET Retirement Services

### PUBLIC PROTECTION

CRT Trial Courts  
JUV Juvenile Court  
LLB Law Library  
AGW County Agriculture/Weights & Measures  
CME Coroner  
ANC Animal Care & Control  
PAG Public Administrator/Guardian  
DAT District Attorney  
PDR Public Defender  
SHF Sheriff  
ADP Adult Probation  
FIR Fire Department  
POL Police

ACTION:

# CALENDAR

**Finance Committee  
Board of Supervisors  
City and County of San Francisco**

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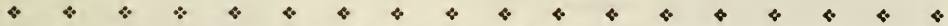
## SPECIAL MEETING

WEDNESDAY, JUNE 25, 1997 12:00 P.M.

VETERANS BUILDING  
401 VAN NESS AVE., ROOM 410  
SAN FRANCISCO, CA 94102

MEMBERS: Supervisors Susan Leal, Barbara Kaufman, Amos Brown

CLERK: Rosemary Little-Horanzky



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## FINANCE

1. File 170-97-3.1. [General Obligation Bonds] Motion awarding bonds and fixing definitive interest rates for \$25,105,000 General Obligation Bonds (Golden Gate Park Improvements, 1992), Series 1997A; and \$22,050,000 General Obligation Bonds (School District Facilities Improvements, 1994), Series 1997B. (Clerk of the Board)

### LEGISLATION UNDER THE 30-DAY RULE

Rule 5.40 provides that when an ordinance or resolution which would create or revise major city policy, the committee to which the legislation is assigned shall not consider the legislation until at least thirty days after the date of introduction. Now pending:

File No. 172-97-28, Bulk Natural Gas Agreements, Ordinance, (Public Utilities Commission), 30 day Rule expires 6/27/97.

File No. 108-97-3, Travel Allowance Limitation, United Airlines, (Supervisor Ammiano), 30 day Rule expires 7/9/97.

File No. 27-97-6, International Airport Limitation, United Airlines, (Supervisor Kaufman), 30 day Rule expires 7/9/97.

File No. 170-97-7.1, Modify purposes and use of 1992 earthquake safety loan bonds, (Mayor), 30 day Rule expires 7/9/97.

File No. 60-97-5, Special Election. Water Revenue Bonds, \$147 million, (Supervisor Kaufman), 30 day Rule expires 7/16/97.

Watch future calendars for scheduling of these matters.

FINANCE COMMITTEE  
SAN FRANCISCO BOARD OF SUPERVISORS  
401 VAN NESS AVENUE, ROOM 308  
VETERANS BUILDING  
SAN FRANCISCO, CA 94102

HEARING NOTICE

## CALENDAR

DEPARTMENTAL BUDGET REVIEW  
FINANCE COMMITTEE  
BOARD OF SUPERVISORS  
CITY AND COUNTY OF SAN FRANCISCO

WEDNESDAY, JUNE 25, 1997 - 12:00 P.M.

ROOM 410, VETERANS BLDG.  
401 VAN NESS AVENUE

1. File 100-97-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1997-98. (Mayor)

### CULTURE & RECREATION

USD County Education Office  
SCI Academy of Sciences  
ART Art Commission  
WAR War Memorial  
FAM Fine Arts Museums  
AAM Asian Art Museum  
LIB Public Library  
REC Recreation & Park Commission

### PUBLIC WORKS, TRANSPORTATION & COMMERCE

DPW Public Works  
DBI Building Inspection  
AIR Airport  
PRT Port Commission  
PTC Parking and Traffic  
TIS Telecommunications & Information Services  
PUC Public Utilities Commission (PUC)  
CPW Clean Water  
LHP Light, Heat and Power  
HHP Hetch Hetchy Project  
WTR Water  
DPT Municipal Railway  
San Francisco Redevelopment Agency

ACTION:



## CALENDAR

### DEPARTMENTAL BUDGET REVIEW FINANCE COMMITTEE BOARD OF SUPERVISORS CITY AND COUNTY OF SAN FRANCISCO

THURSDAY, JUNE 26, 1997, 1:00 P.M.

ROOM 410, VETERANS BLDG.  
401 VAN NESS AVENUE

1. File 100-96-1. [Annual Budget] Hearing to consider the Annual Budget of the City and County of San Francisco for Fiscal Year 1997-98. (Mayor)

#### HUMAN WELFARE

AGE Commission on the Aging  
HRC Human Rights Commission  
WOM Commission on the Status of Women  
DHS Human Services

#### COMMUNITY HEALTH - DEPARTMENT OF PUBLIC HEALTH

HCH Community Health Services  
HLH Laguna Honda Hospital  
HGH San Francisco General Hospital  
HMH Department of Mental Health

#### GEN - GENERAL CITY RESPONSIBILITIES

#### CAP - CAPITAL EXPENDITURE PLAN

ACTION:

2. File 101-97-2. [Annual Appropriation Ordinance, Fy 1997-98] Annual Appropriation Ordinance, fiscal year 1997-98, an ordinance appropriating all estimated receipts and all estimated expenditures for the City and County of San Francisco for fiscal year ending June 30, 1998. (Mayor Willie L. Brown)

ACTION:

3. File 102-97-2. [Annual Salary Ordinance, FY 1997-98] Ordinance Annual Salary Ordinance for fiscal year 1997-1998. (Mayor Willie L. Brown)

ACTION:

4. File 161-97-7. Redevelopment Agency Budget and Bonds, FY 1997-98] Resolution approving the Budget of the Redevelopment Agency of the City and County of San Francisco for fiscal year 1997-98; and approving the issuance by the Agency of bonds in an aggregate principal amount not to exceed \$43,000,000 for the purpose of financing redevelopment activities in fiscal year 1997-98. (San Francisco Redevelopment Agency)  
(Continued from 6/18/97.)

ACTION:

2







